

The Financial Planners and Financial Advisors Act

Notice of Proposed Regulations and Request for Further Comment

July 2022

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Contents

- Introduction3
- Overview4
- Background4
- The Proposed Regulations and Proposed Changes5
- Authority for the Proposed Regulations11
- Exemptions and Challenging Examinations13
- Titles.....14
- Fees and fee structure14
- Summary of questions for consideration and comment14
- Comment16

Financial and Consumer Affairs Authority of Saskatchewan

Notice of Proposed Changes and Request for Further Comment

Proposed Regulations [2022-001] The Financial Planners and Financial Advisors Regulations

Introduction

The Financial and Consumer Affairs Authority of Saskatchewan (**FCAA** or the **Authority**) is seeking additional feedback on the Proposed Regulations [2022-001] – *The Financial Planners and Financial Advisors Regulations* (the **Proposed Regulations**) under *The Financial Planners and Financial Advisors Act* (FPFAA).

The Proposed Regulations were posted for consultation on July 28, 2021 for a 60-day comment period. All comments received were carefully reviewed and considered. For this second consultation, we are posing some general questions about options and approaches as well as some discrete issues. It includes issues that were raised in the previous consultation as well as some new items to consider. The Consultation will be open for 60 days. The text of the Proposed Regulations is set out in Appendix A to this Notice.

The FCAA continues to be mindful of the importance of harmonizing our legislation with that of other jurisdictions. We agree with the sentiment expressed by numerous stakeholders that unnecessary regulatory burden should be reduced and consistency promoted. We also note, however, various comments from stakeholders that suggested alternate approaches and preferences respecting certain aspects of the proposed framework that would reduce harmonization. In addition, we have had the benefit of observing the implementation of the Financial Services Regulatory Authority of Ontario's ("FSRA") financial professionals title protection legislation and have received comments and responses to that process as it unfolds. In light of all the comments received and reviewed, we ask you to consider the alternate approaches outlined herein and provide feedback as to any potential lack of harmonization that may result.

Interested persons are invited to make written representations to the FCAA with respect to the Proposed Regulations on or before September 20th, 2022. We have included throughout this Notice questions for consideration and comment. These questions have been summarized at the end of this Notice.

Overview

FCAA's Proposed Regulations sets out, in part, the approval criteria for credentialing bodies that intend to offer a credential, and the approval criteria for "financial planner" (FP) and "financial advisor" (FA) credentials as well as the ongoing requirements to maintain such approvals. The Notice of Proposed Changes and Request for Further Comment outlines options and potential changes to the Proposed Regulations as well as any background information that might be of assistance. The Notice includes issues that were previously consulted on as well as some new items.

Background

In response to concerns raised by consumers and investor advocates about the wide array of unregulated titles and credentials used by individuals operating in Saskatchewan's financial services marketplace, the Saskatchewan government decided to develop a regulatory framework governing the use of titles.

The FPFAA received Royal Assent in 2020 but has not yet been proclaimed into force. Once proclaimed into force, the FPFAA will, subject to the transition periods described below, restrict the use of the titles "financial planner" and "financial advisor" (as well as equivalents in another language or titles that could reasonably be confused with such titles) to individuals who have obtained a FCAA-approved credential issued by a FCAA-approved credentialing body.

The substance and purpose of the Proposed Regulations is to establish:

- approval criteria for credentialing bodies that intend to offer a credential in order to ensure the effective administration of a credentialing program and that only qualified individuals are issued a credential;
- approval criteria for FP and FA credentials in order to establish a consistent, minimum standard for title users;
- the application process to obtain approvals; and
- a transition period for individuals already using the FP and FA titles.

The FCAA may develop and release related Guidelines and Bulletins where it would be helpful to provide additional detail on how the FCAA will approach the administration of applications under the FPFAA and provisions of the Proposed Regulations.

The primary objective of the framework is to create minimum standards for title usage for the protection of consumers and investors, without creating unnecessary regulatory burden for title users. Individual title users will be required to hold an approved credential from a FCAA-approved credentialing body and will be required to meet conduct requirements and professional standards as set out by their respective credentialing body. The FCAA may take enforcement action where it is identified that an individual uses an FP or FA title without the authority to do so (i.e., the individual does not have an approved credential).

The Proposed Regulations and Proposed Changes

Approval criteria for credentialing bodies

A key element of the implementation of the title protection framework is the establishment of approval criteria for credentialing bodies, to ensure effective oversight of a credentialing program so that only individuals meeting minimum standards are able to obtain and continue to hold a credential.

Paragraph 52(1)(d) of the FPFAA provides authority to the FCAA to make regulations establishing criteria for credentialing bodies to be approved by the FCAA under section 6 of the FPFAA, including without limitation, criteria relating to:

- i. the applicant's governance structure and practices; and
- ii. disciplinary processes the applicant must have in place for individuals holding approved credentials it has issued.

The FCAA received responses to the previous consultation expressing some concerns about the approval criteria and the approval of multiple credentialing bodies. The approval criteria were carefully considered in light of the education requirements then provided by licensing bodies in the marketplace as well as international standards that have been set by various organizations. The approach is intended to provide some flexibility in achieving compliance while ensuring that the minimum standards are sufficient to provide consumer protection.

The FCAA also received several comments respecting the suitability of certain types of entities being approved as credentialing bodies. They raised concerns that potential conflicts could arise between the credentialing body's role supervising and disciplining credential holders and its other functions such as business activities and advocacy etc. The FCAA appreciates these concerns and can assure that it will fully consider all potential conflicts and mitigation measures when assessing the suitability of entities that are seeking approval as credentialing bodies.

Credentialing Body – process when approval revoked or operations cease (new issue)

Some stakeholders have asked what will happen to credential holders if the credentialing body ceases operation or has the approval of one or more of its credentials cancelled or suspended. The FCAA is seeking feedback on how to transition credential holders from a credentialing body that ceases operations or has its approval cancelled or suspended to a credentialing body whose approval is in good standing. We are also seeking feedback on whether a transition provision is appropriate for those who hold a credential that has been suspended or cancelled. For example, should those individuals who hold credentials from a credentialing body that is no longer approved be able to continue using the FP or FA title in the absence of oversight by a credentialing body for a period of time and, if yes, how long should that period of time be? Should this same transition period apply if it is only the credential that is no longer approved? There will also be several practical issues to address if this situation arises, such as whether a title holder can 'transfer' their credential to a new credentialing body and who will receive and manage complaints respecting title holders who are without an overseeing credentialing body. Note that any provisions to address these issues must fall within the rule-making authority

provided under the FPFAA. Consequently, it might not be possible to address all of these issues in the Regulations alone and we welcome any suggestions and feedback in regard to these items. Please note that we have not included any draft provisions or wording to address this issue in the Proposed Regulations at this time. **(Question 1)**

Approval criteria for credentials

Another key element of the implementation of the title protection framework is the establishment of approval criteria for FP and FA credentials to ensure that only individuals meeting minimum standards use the FP or FA title.

There are a number of organizations and designation bodies that currently provide educational programs and issue designations that use the FP or FA titles. In order to implement the framework, the FCAA will review the designations submitted by approved credentialing bodies and confer those that meet the requisite standards with the right to FP or FA title use while the individual is a designation holder in good standing.

Paragraph 52(1)(f) of the FPFAA grants the FCAA regulation-making authority to establish criteria for credentials to be approved under section 12 of the FPFAA as granting the right to use an FP or FA title, including, without limitation, criteria relating to:

- i. Educational requirements;
- ii. Examination requirements;
- iii. Code of ethics and professional standards; and
- iv. Continuing education requirements.

While stakeholders generally communicated that the proposed baseline competency profile (BCP) for FPs is appropriate, we received varying responses regarding the proposed BCP for FAs. The BCP for FAs set out in the first publication for comment was modelled on the FSRA approach. It included educational requirements that would provide a broad overview of the Canadian financial services marketplace and regulatory environment, as well as educational requirements aimed at ensuring an appropriate level of professionalism, such as ethical practices, dealing with conflicts of interest, handling confidential client information, and know your client obligations. However, in terms of core financial technical areas, the BCP for FAs only required education relating to the products and services provided by the individual. Compared to the BCP for FPs, which is aimed at broad-based knowledge and not product-centric, the BCP for FAs was more focused on the sale of specific financial products and services (the “Product-Focused Approach”).

A number of stakeholders indicated that the BCPs were too general and they wanted greater detail to further differentiate between the FP and FA titles as well as between the FA title and individuals who are authorized to sell specific financial products. Some stakeholders indicated that the FA BCP was too limited and should include requirements for proficiency in multiple technical areas that would reduce the substantive differences between FPs and FAs. The latter view suggested that an FA with knowledge and competency in only one product will likely take a product-centric approach potentially leaving consumers vulnerable to advice that may not be appropriate for their circumstances. Instead, they would like FAs to take a broader approach to financial advice with the title signifying the individual can give comprehensive personal financial

advice that encompasses more than just expertise in one particular product category (the “Comprehensive Approach”). This would differ conceptually from the Product-Focused Approach in that the advice provided by the FA would, after considering the client’s personal circumstances, be focused more on recommending specific strategies or approaches as opposed to specific products.

Several factors were considered in determining that further comment was required on this issue including:

- Whether or not the definition initially proposed reflected consumers’ expectations of the services they receive from an individual using the FA title (for instance are they receiving product specific advice or personalized broad-based financial advice);
- Whether it is enough to mitigate consumer expectations by having FA title users that only have product specific knowledge to disclose their specific area(s) of expertise; and
- The impact of dis-harmonization with Ontario’s definition of the FA credential.

In particular, the potential advantages of the Comprehensive Approach over the Product-Focused Approach that we have identified include:

- Better alignment with client expectations: It has become clear from the results of the first publication for comment of the Proposed Regulations and FSRA’s experience in rolling out their regulations that there is no single universally held view as to the scope of advice that a FA currently provides or should be expected to provide. It is safe to assume that many clients will expect FAs to provide broad-based comprehensive financial advice that goes well beyond specific product-focused advice. For these clients, if the FA’s knowledge and approach is focused on a specific product, the client’s experience may be more than just disappointing, it may lead to poor financial choices and decisions. One way to address this mismatch in client expectations would be to require FAs to not only disclose their credentials to prospective clients, but to also disclose that the scope of their financial advice is focused on certain products only. The additional disclosure would add burden for FAs and may not be effective in all circumstances.
- Better alignment with other financial sector regulatory frameworks: Since we began consultations with stakeholders regarding the FPFSA, we have heard a consistent message that the FA should not overlap with or duplicate requirements imposed by existing regulatory frameworks in respect of the sale of, or advice regarding, specific financial products. This concern was premised on the fact that we already have existing regulatory frameworks designed to ensure individuals selling or advising about certain financial products have the required knowledge and professionalism to provide adequate protection to consumers and investors. Under the Product-Focused Approach, if an FA only sells or provides advice with respect to mutual funds, the only core financial technical area the FA would be required to have education regarding would be mutual funds. In this scenario, the education required for the FA credential would be, in substance, the same education the person was already required to have in order to be registered as a mutual fund

dealing representative. One might ask in these circumstances what the FA credential accomplishes. If the Comprehensive Approach is used, the core financial technical education requirements to obtain an FA credential will be significantly different than the education required pursuant to any of the other existing financial product regulatory frameworks. Using the mutual fund dealing representative scenario again, the education required and the nature of the financial advice provided by the FA would be distinctly different than that of a mutual fund dealing representative, as they would be intended to serve different purposes.

An important advantage of the Product-Focused Approach is harmonization with the approach taken in Ontario. It is expected that most, if not all, approved credentialing bodies will be national or at least regional in scope. If the Comprehensive Approach is adopted here, it is possible that approved FA credentialing bodies in Ontario will not qualify to be an approved FA credentialing body in Saskatchewan without expanding their education requirements. This might lead to fewer approved FA credentialing bodies in Saskatchewan and fewer options for consumers or investors to obtain financial advice. It will also mean that FA credentialing bodies may need to incur additional regulatory burden to be approved in Saskatchewan.

In order to determine what is the best conceptual approach in respect of the FA BCP, we are seeking feedback on the Comprehensive Approach which would entail the following:

The FA BCP is revised to take a broader approach to proficiency in technical areas and bring it closer to that of an FP. The technical knowledge requirement will include knowledge and competency in all of the same core financial technical areas as the FP BCP (i.e. *estate planning, tax planning, retirement planning, investment planning, finance management, and insurance and risk management*). The key difference between the FP BCP and the FA BCP would be that an FP will require knowledge and competency in respect of developing and presenting an integrated financial plan for the client; whereas an FA will require knowledge and competency in respect of providing suitable recommendations to a client with respect to broad-based financial and investment strategies. In considering this approach, please comment on the potential advantages of the Comprehensive Approach identified above, namely better alignment with client expectations and better alignment with other existing financial sector regulatory frameworks. Also please comment on whether there are any other advantages the Comprehensive Approach has over the Product-Focused Approach not identified in this paper.

(Question 2)

Note that taking the above approach to require additional knowledge and competency for FAs would result in decreased harmonization between the FCAA framework and FSRA's framework. This may result in different standards to meet and may mean that credentialing bodies would need to develop different education programs. Furthermore, individuals who have a credential in Ontario may need additional qualifications to satisfy the criteria for Saskatchewan. While taking this alternate approach may decrease harmonization with Ontario's framework, it would also potentially improve the FA BCP alignment with client expectations and with other existing financial regulatory frameworks. As such, we ask that you also address in your comments whether the benefits of

increasing the proficiency required to hold the FA credential outweighs the decreased harmonization. Also, please provide comments regarding any other potential disadvantages of the Comprehensive Approach not identified in this paper. If an increase in qualifications required to obtain the FA credential results in a need for consequential amendments to other aspects of the Proposed Regulations, please identify those amendments. One potential revision we have identified and would like comments on concerns whether the transition period for an FA's compliance with the FPFSA set out in section 9(3) of the Proposed Regulations should be lengthened to match that of an FP? **(Question 3)**

Mandatory disclosure of credentials

Most stakeholders supported a requirement for FP and FA title holders to disclose the credential they hold and the credentialing body that it was obtained from. There was a wide variety of suggestions as to the extent of disclosure and how that disclosure should take place (i.e. verbal, business card etc.) but it was generally agreed that consumers should be able to easily verify an individual's credential as well as confirm their disciplinary history. The FCAA agrees that disclosure should be required and will ensure that credentialing bodies have a mandatory disclosure requirement in place for credential holders.

In respect of FAs, we received suggestions that, along with their title, they should be required to disclose the product(s) that they are authorized to sell. For example, an FA who also has a licence to sell life insurance would need to disclose that information (eg. FA – life insurance). We are seeking further feedback specifically on this enhanced disclosure requirement for FAs. Please comment on whether this additional disclosure requirement is preferred and the form that it should take. Also, please comment on whether this additional disclosure is warranted if the Comprehensive Approach to the FA BCP, as described under the Approval criteria for credentials heading, is adopted. **(Question 4)**

Implementing the framework and transition date

Proclamation of the FPFSA and Ministerial approval of the Proposed Regulations will provide the FCAA with authority to approve credentialing bodies and their credentials that will permit holders to use the FP and FA titles.

At a high level, the FCAA anticipates the approval process and supervisory framework for credentialing bodies to operate as follows:

- Upon the coming into force of the FPFSA and the Proposed Regulations, organizations that currently offer a designation or licence that they wish to submit for approval as a credential entitling FP or FA title use must apply to the FCAA in order to obtain approval as a credentialing body and must seek FCAA approval of the designation/licence as a credential granting the right to FP or FA title use.
- The FCAA will review the submission against the approval criteria in the Proposed Regulation.
- The FCAA will post the list of approved credentialing bodies and approved

credentials on its website. The list will be updated as credentialing bodies and their relevant credentials are approved.

- The FCAA will develop a monitoring and supervision plan for its oversight of credentialing bodies. This will include ensuring that credentialing bodies remain in compliance with the terms and conditions of their approval and that they maintain effective oversight of their credentialing program to ensure that only qualified individuals are granted a FP or FA credential.

Additional details relating to the operational framework for approval of credentialing bodies and credentials will be provided at a later date.

Upon the coming into force of the FPFSA and the Proposed Regulations:

- Subject to the next bullet point, no individual will be permitted to use the FP or FA titles unless they have an approved credential from an FCAA-approved credentialing body and are in good standing with that credentialing body.
- An individual who used the FP or FA title in Saskatchewan immediately prior to the transition date, and up to the date the Regulations come into force, will be permitted to continue using the relevant title during the transition period prescribed in the Proposed Regulations. The FCAA interprets this to apply to any individual who used the FP or FA title while actively engaged in the business of providing services related to financial planning or advising at least the day before the transition date and continued to conduct such business until the date the Proposed Regulations come into force. Once the transition periods prescribed in the Proposed Regulations have lapsed, individuals will be subject to the provision outlined in the first bullet point above.
- Individuals to whom the transition provisions in the Proposed Regulations apply should monitor the list of approved credentials on the FCAA website. If their current designation is accepted by the FCAA as an approved credential, such individuals will not be required to obtain any additional qualifications. Such individuals will be subject to the ongoing requirements of the title protection framework set out in the entire FPFSA and of the relevant approved credentialing body going forward, including maintaining a membership with an approved credentialing body.
- Individuals using the FP or FA titles before the FPFSA comes into force, and who do not qualify for the transition provisions prescribed in the Proposed Regulations, will not be permitted to use the FP or FA titles once the FPFSA comes into force. Such individuals must obtain an approved credential from an approved credentialing body before they can use an FP or FA title.
- Individuals who did not previously use an FP or FA title are prohibited from doing so until they obtain an approved credential from an approved credentialing body.

- The FCAA may take enforcement action where it is identified that an individual uses the FP or FA title without the authority to do so (i.e., the individual does not have an approved credential).

It was brought to our attention that an “implementation period” would be helpful following the enactment of the legislation. During this period, the FCAA would undertake the above process for reviewing applications and approving credentialing bodies and current title users would have time to assess their options without being in contravention of the legislation. It was suggested that an implementation period of anywhere from 3 months to 18 months would be appropriate.

Some stakeholders also questioned whether the transition date of July 3, 2020 is still appropriate, and we are considering changing the date to coincide with the date that the FPFAA and these Regulations come into force. Given that two years have passed since the FPFAA was enacted, some stakeholders questioned whether the transition date should be moved to a more recent date. Some stakeholders also indicated that having a transition date that precedes the date the FPFAA comes into force creates a number of administrative issues for entities that have employees who use the FA title. In your response, please indicate whether you support keeping the transition date at July 3, 2020 or moving it to a more recent date (such as the date the legislation comes into force). In addition, please include in your comments why you think the date you have chosen is the right approach for the framework and any positive or negative effects that an alternate date may have on the protections afforded by the legislation as well as the implementation process.

We are seeking feedback on both of these items. Please advise:

- a) whether you support an implementation period and provide a suggested length of time for such period; and
- b) whether the transition date should be adjusted from July 3, 2020 to a more recent date such as the date that the Act and Regulations come into force.

(Question 5(a) and (b))

Authority for the Proposed Regulations

The following statutory provisions of the FPFAA give the FCAA authority to make the Proposed Regulations:

- Subsection 52(2) authorizes the FCAA to make regulations in respect of any matter or thing with respect to which the FCAA is authorized pursuant to clause 52(1)(q) of the FPFAA.
- Paragraph 52(1)(b) authorizes the FCAA to make regulations respecting the meaning of “good standing” for the purposes of sections 4 and 5 of the FPFAA.
- Paragraph 52(1)(c) authorizes the FCAA, for the purposes of sections 4 and 5 of the FPFAA, to make regulations prescribing other titles that the regulation maker is satisfied are consistent with the purposes of the FPFAA.

- Paragraph 52(1)(d) provides authority to the FCAA to make regulations establishing criteria for credentialing bodies to be approved by the FCAA Pursuant to section 6 of the FPFAA, including without limitation, criteria relating to:
 - (i) the applicant’s governance structure and practices; and
 - (ii) disciplinary processes the applicant must have in place for individuals holding approved credentials it has issued.
- Paragraph 52(1)(e) authorizes the FCAA to make regulations prescribing partners, officers, representatives, employees and other related persons of a credentialing body who are required to comply with the terms and conditions applicable to the approval of the credentialing body.
- Paragraph 52(1)(f) provides authority to the FCAA to make regulations establishing criteria for licences and designations to be approved under section 12 of the FPFAA as granting the right to use an FP or FA title., including, without limitation, criteria relating to:
 - (i) Educational requirements;
 - (ii) Examination requirements;
 - (iii) Codes of ethics and standards of practice and behaviour; and
 - (iv) Continuing education requirements.
- Paragraph 52(1)(g) authorizes the FCAA to make regulations governing applications for approval.
- Paragraph 52(1)(h) authorizes the FCAA to make regulations respecting credentialing bodies.
- Paragraph 52(1)(i) authorizes the FCAA to make regulations prescribing criteria and requirements respecting credentialing bodies’ collection, holding and payment of fees that are payable by title holders.
- Paragraph 52(1)(j) authorizes the FCAA to make regulations respecting credentials.
- Paragraph 52(1)(k) authorizes the FCAA to make regulations establishing requirements for and procedures with respect to the use of an electronic or computer-based system for the delivery or deposit of documents or information, including requirements for paying charges or fees in connection with the use of the system.
- Paragraph 52(1)(l) authorizes the FCAA to make regulations prescribing the circumstances in which persons are deemed to have signed or certified documents on an electronic or computer-based system for any purpose of this Act.
- Paragraph 52(1)(m) authorizes the FCAA to make regulations prescribing information, documents, records or other materials that are required to be delivered, including requirements relating to the following:
 - (i) The method by which they are to be delivered;

- (ii) The timing of the delivery;
 - (iii) The costs related to the delivery;
 - (iv) When they are deemed to have been delivered or received.
- Paragraph 52(1)(o) authorizes the FCAA to make regulations respecting any additional disclosure required with respect to credentialing bodies and credentialed individuals.
 - Paragraph 52(1)(p) authorizes the FCAA to make regulations respecting the service of documents.
 - Paragraph 52(1)(s) authorizes the FCAA to make regulations respecting any additional matter or thing that the regulation maker considers necessary to facilitate the implementation of the Act, including the treatment of credentials and other qualifications possessed by persons before the Act comes into force.
 - Paragraph 52(1)(t) authorizes the FCAA to make regulations governing the use of titles in circumstances where a credentialing body's approval is revoked or where a credentialing body ceases to operate.
 - Paragraph 52(1)(w) authorizes the FCAA to make regulations prescribing any matter or thing that is required or authorized by the Act to be prescribed in the regulations.

Section 4 of *The Financial Planners and Financial Advisors (Fees and Regulation Procedures) Regulations* (the "Fees and Procedures Regulations") states that the Authority may make regulations respecting any matter or thing set out in subsection 52(1) except those set out in clauses 52(1)(a), (n), (q), and (r).

Exemptions and Challenging Examinations

The issue of exemptions has been raised by numerous individuals and groups throughout the development of this legislation and in response to the first consultation. Although there were a few comments in support of exemptions for individuals with certain qualifications, the majority of responses were not supportive of any exemptions and felt that it would undermine the intent of the legislation and consumer confidence in the framework. The FCAA agrees with the majority and has decided not to include exemptions.

The suggestion of challenge exams has been raised and discussed and the FCAA remains of the view that we have no issues with the concept in general and we will review any options put forward by credentialing bodies for approval. Note that the FCAA supports the concept of challenge exams and we encourage stakeholders to work with credentialing bodies to build suitable options. We are happy to have further discussions regarding potential options as they develop.

Titles

Stakeholders showed considerable interest in this item, including which titles will be considered “confusing” and the FCAAs approach to making that determination. FCAA intends to issue a guidance document that will provide some clarification for the industry and for consumers. We can advise at this time that titles that reference an authorization to provide specific financial advice granted by another Act will likely not be found to be confusing if they are specific to that authorization. For example, an Insurance Agent duly licensed by the Insurance Councils of Saskatchewan under *The Insurance Act* that uses the title “Insurance Advisor” would not be considered to be in contravention of the FPFAA.

Fees and fee structure

Under the Act, fees must be set out in regulations made by the Lieutenant Governor in Council. While ultimately the fees will be subject to the approval of Government, we would like to obtain feedback regarding the potential fee structure and amounts that may be proposed.

The FCAA is considering proposing a fee structure that is similar to FSRAs fee structure and would be comprised of:

- An initial one-time application fee of \$10,000 for a credentialing body;
- A one-time application fee of \$5,000 for each credential per credentialing body;
- An annual fee that is due on a fixed date, with the first payment of the annual fee due on the first fixed date following the approval of the credentialing body in Saskatchewan. The annual fee from each credentialing body will be in an amount based on the number of credentials issued to credential holders multiplied by \$50 (Note that this would include all credential holders who are providing financial planning or advisory services to Saskatchewan consumers and investors, even if the credential holder is resident in another province).

The above fee structure seeks to balance the costs of administering the program with concerns regarding expense to the industry. In addition, it attempts to avoid unduly burdening smaller credentialing bodies and their credential holders with an ongoing flat fee that will make that credential more expensive for credential holders.

Please provide your feedback regarding the proposed fee structure and amounts.
(Question 6)

Summary of questions for consideration and comment

Credentialing Bodies – Process when Approval Revoked or Operations Cease

1. The FCAA is seeking feedback on how to transition credential holders from a credentialing body that is no longer active or approved for some reason, such as its approval was revoked or it is winding down operations. For title users that obtained a credential from an inactive or unapproved credentialing body, please provide feedback as to whether those individuals should be able to continue using

the FP or FA title in the absence of oversight by a credentialing body for a period of time and, if yes, how long that period of time should be.

Approval Criteria for FA Credentials

2. We are seeking feedback as to whether the FA BCP should be revised to take a broader approach to proficiency in technical areas and bring it closer to that of an FP. The technical knowledge requirement will include knowledge and competency in all of the same core financial technical areas as the FP BCP (i.e. *estate planning, tax planning, retirement planning, investment planning, finance management, and insurance and risk management*). The key difference between the FP BCP and the FA BCP would be that an FP will require knowledge and competency in respect of developing and presenting an integrated financial plan for the client; whereas an FA will require knowledge and competency in respect of providing suitable recommendations to a client with respect to broad-based financial and investment strategies. In considering this approach, please comment on the potential advantages of the Comprehensive Approach identified above, namely better alignment with client expectations and better alignment with other existing financial sector regulatory frameworks. Also please comment on whether there are any other advantages the Comprehensive Approach has over the Product-Focused Approach not identified in this paper.

Decrease in Harmonization

3. Note that taking the above approach to require additional knowledge and competency for FAs would result in decreased harmonization between the FCAA framework and FSRA's framework. This may result in different standards to meet and may mean that credentialing bodies would need to develop different education programs. Furthermore, individuals who have a credential in Ontario may need additional qualifications to satisfy the criteria for Saskatchewan. While taking this alternate approach may decrease harmonization with Ontario's framework, it would also potentially improve the FA BCP alignment with client expectations and with other existing financial regulatory frameworks. As such, we ask that you also address in your comments whether the benefits of increasing the proficiency required to hold the FA credential outweighs the decreased harmonization. Also please provide comments regarding any other potential disadvantages of the Comprehensive Approach not identified in this paper. If an increase in qualifications required to obtain the FA credential results in a need for consequential amendments to other aspects of the Proposed Regulations, please identify those amendments. One potential revision we have identified and would like comments on concerns whether the transition period for an FA's compliance with the FPFAA set out in section 9(3) of the Proposed Regulations should be lengthened to match that of an FP?

Mandatory disclosure of credentials

4. We are seeking further feedback specifically on an enhanced disclosure requirement for FAs that would require FAs to disclose the product, if any, that they are authorized to sell. Please comment on whether this additional disclosure

requirement is preferred and the form that it should take. Also please comment on whether this additional disclosure is warranted if the Comprehensive Approach to the FA BCP, as described under the Approval criteria for credentials heading, is adopted.

Transition Date and Implementation Period

5. We are seeking feedback on two items. Please advise:

- a) whether you support an implementation period and provide a suggested length of time for said period; and
- b) whether the transition date should be adjusted to a later date from July 3, 2020, such as the date that the Act and Regulations come into force. In addition, please include in your comments why you think the date you have chosen is the right approach for the framework and any positive or negative effects that an alternate date may have on the protections afforded by the legislation as well as the implementation process

Fees and Fee Structure

6. Please provide your feedback regarding the proposed fee structure and amounts.

Comment

Interested parties are invited to make written representations with respect to the Proposed Changes and Proposed Regulations. Submissions received by September 20th, 2022 will be considered.

Submissions should be submitted to finplannerconsult@gov.sk.ca