



09 September 2016

Mr. Dan Aston  
Parliamentary Secretary for the British Columbia Minister of Finance  
210-300 Riverside Drive  
Penticton, British Columbia V2A9C9

**SENT VIA EMAIL ONLY TO [dan.ashton.mla@leg.bc.ca](mailto:dan.ashton.mla@leg.bc.ca)**

Dear Mr. Ashton:

Thank you for inviting CARP to consult on this important issue. It was a pleasure consulting with your team via teleconference on August 4, 2016. During the consultation, CARP was invited to provide further submissions in relation to titles and designations.

CARP believes there are far too many designations and titles being used in the industry. A recent poll of our 300,000 members across Canada demonstrated that our members are unable to distinguish between the myriad of titles and designations. This leads to a lack of transparency in the industry and a level of trust uniformly placed in advisors that may not be warranted. To address this issue, CARP makes the following recommendations:

- 1. There needs to be a distinction between those who provide broad financial advice and those who only provide investment advice.** A financial advisor provides professional advice in relation to a client's overall financial situation such as whether they should invest or instead focus on paying off credit card debt, whereas an investment advisor focuses solely on how best to invest funds. It is important for clients to understand whether they are receiving complete financial advice or advice that is more limited in scope.
- 2. Professional designations and related titles for both of these activities should be strictly controlled.** Doctors, lawyers, engineers and chartered public accountants are self-regulated professions which rigorously control qualification for designations and the use of titles by their members. The proliferation of designating bodies and the sheer variety of titles in use by financial and investment professionals and sales people is not serving Canadians well. Self-regulatory bodies should be given the power to expressly enforce rules around titles and designations by statute.
- 3. Professional designating bodies must include a requirement for a best interest standard for all designates and have adequate enforcement of all members to ensure**



**compliance.** In order to ensure these designating bodies are fulfilling their responsibilities as self-regulatory agencies, they must be specifically given this authority by provincial and territorial governments; their status as designating bodies can also be revoked if they do not meet adequate standards of oversight and enforcement.

- 4. Individuals working in the investment industry who are not designated by an approved regulatory body must have a title that clearly indicates they are a sales person.** For example an individual might be a mutual fund sales person, an investment product sales person or a stock sales person. This does not preclude the individual from providing advice about a particular product – this is indeed what good sales people do – but it will clearly indicate to the client the nature of the relationship. Other titles such as Vice President, Seniors Advisor or Wealth Management Specialist are not appropriate and should be eliminated.
- 5. Where titles or designations are appropriate, they should be justified by comprehensive educational requirements to ensure they encompass the level of professionalism and knowledge that is communicated to the public through the title.** CARP is not proposing specific requirements as part of this submission, but would be happy to consult on this further.

CARP appreciates the opportunity to consult on an issue that is very important to our members across the country. We look forward to positive and proactive steps from the British Columbia Ministry of Finance and would be happy to work with you toward reform that increases transparency and investor protection in the province of BC.

Sincerely,

Wanda Morris  
Vice-President of Advocacy

Wade Poziomka  
Director of Policy