



October 20, 2021

Financial Services Regulatory Authority of Ontario
25 Sheppard Avenue West, Suite 100
Toronto, ON
M2N 6S6

Re: Notice of Rule and Request for Comment on Proposed Amendments to Rule 2019-001 – Assessments and Fees (the “Proposed Fee Rule”)

Investors Group Inc. (“IG Wealth Management”) is pleased to provide comments on the Financial Services Regulatory Authority of Ontario’s (“FSRA”) Proposed Fee Rule.

Our Company

IG Wealth Management is a diversified financial services company and one of Canada’s largest managers and distributors of mutual funds, including the exclusive distributor of its own products. We carry out our distribution activities through our subsidiaries Investors Group Securities Inc. and Investors Group Financial Services Inc., which are members of the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Mutual Fund Dealers Association of Canada (“MFDA”), respectively. We are committed to comprehensive personal financial planning delivered through long-term client and advisor relationships. The company provides advice and services through a network of advisors, whom we call “Consultants”, located across Canada to over one million clients. IG Wealth Management has over \$112 billion in assets under advisement as of June 30, 2021. Of our Consultants with a tenure of 4 years or greater, 69% hold a financial planning designation.

We are part of IGM Financial Inc., which is a member of the Power Corporation of Canada group of companies.

Comments on the Proposed Regulations

We broadly support the FSRA’s efforts to protect consumers and investors by mandating minimum standards for the use of “financial advisor” and “financial planner” titles. Consumers and investors must have confidence that the persons using these titles hold appropriate credentials. However, we do not support the FSRA’s proposed approach to fee collection, as set out below. It is critical that a title framework not have the unintended consequence of discouraging accreditation and/or negatively impacting the fees ultimately borne by investors, which we believe is a likely outcome under the FSRA’s current proposal. As the FSRA finalizes this important

consumer protection initiative, including the Proposed Fee Rule, we urge the FSRA to consider the following:

- (i) The title protection framework in Ontario must be harmonized with similar frameworks established in other provinces.

We strongly encourage the FSRA to coordinate with the regulatory authorities of all other provinces that are considering creating similar title protection frameworks, such as the Financial and Consumer Services Commission of New Brunswick as well as the Financial and Consumer Affairs Authority of Saskatchewan. To reduce regulatory burden and enhance compliance for firms and their representatives that pursue the financial advisor and financial planner designations, the provinces must work together to develop a harmonized framework based on standardized proficiency principles and consistent application processes that can easily be applied across Canada, including with respect to fee assessments.

- (ii) The FSRA must establish a fair approach to the assessment of fees charged, mindful of existing fees paid by credential holders and the firms they work with.

We do not support the FSRA's proposed approach outlined in the Proposed Fee Rule. We are very concerned that the design of the FSRA framework, which levies fees on all credentialing bodies, including the self-regulatory organization ("SROs") such as the MFDA or IIROC, will force the SROs to recoup such fees by in turn charging the members and individuals they oversee with additional fees and/or raising already extensive existing fees levied on members.

As the FSRA finalizes the fee assessment framework for Ontario, it must ensure individuals and firms registered with IIROC or the MFDA, as well as the SROs, are exempt from paying any additional fees under the Proposed Fee Rule. The Proposed Fee Rule and other similar title protection frameworks mandated in other provinces must not lead to regulatory burden and duplicative fees. We therefore urge the FSRA to reconsider its proposed approach. We are concerned that additional fees will discourage accreditation, and ultimately, that such additional fees will be passed on to, and borne by, investors. We cannot find another example where the SROs are levied a fee as credentialing bodies.

Conclusion

Thank you for the opportunity to provide comments on the Proposed Fee Rule. We would be pleased to engage further with you on this important initiative.

Yours truly,

IG Wealth Management



Damon Murchison
President & Chief Executive Officer