

NEWS RELEASE

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Majority of Canadian investors surveyed want investment advice from a regulated source

IIROC research reveals gaps between what current and aspiring investors think of regulation

January 21, 2020 (Toronto, Ontario) – Nearly nine in 10 (87%) of current investors and nearly seven in 10 (67%) of aspiring investors feel it's important that investment advice come from a regulated firm or individual, according to national survey results from the Investment Industry Regulatory Organization of Canada (IIROC).

IIROC, with The Strategic Counsel, surveyed more than 2,000 current investors as well as aspiring investors – those who are interested in but are not currently investing. The survey also revealed that more than three quarters of current investors are confident that Canada's investment industry is properly regulated while less than half of aspiring investors are confident.

HIGHLIGHTS OF FINDINGS:

- 87% of current investors and 67% of aspiring investors:
 - feel it's important that advice comes from a regulated firm or individual
- 76% of current investors and 48% of aspiring investors:
 - said they are confident the investment industry in Canada is properly regulated
- Yet 31% of current investors and 44% of aspiring investors:
 - believe online advice has less regulatory protections than advice received from a human
- Senior investors (those aged 65 and above) are more likely to believe that online advice has less regulatory protections than advice provided in person (43%)
 - Senior investors are also least likely to access an automated online investment tool or service for information or advice (8%)

IIROC regulates the proficiency, business and financial conduct of more than 29,000 employees at more than 170 investment firms across the country, under authority granted through Recognition Orders from all provincial and territorial securities commissions. IIROC also oversees trading on all Canadian equity and debt markets.

Under IIROC Rules, online investment advice models have the same robust level of regulation as full service, in-person advice models. For example, an online advisor is subject to the same Know Your Client (KYC) and suitability obligations as a traditional face-to-face advisor.

In the case of order execution only (OEO) platforms, sometimes called discount or direct brokerages, investors are responsible for making their own buy or sell decisions without receiving any advice from an advisor or firm. For OEO platforms, the regulatory regime differs because this business model does not require KYC nor suitability obligations. It is important for investors to understand the type of account/relationship they have in place and the regulatory protections available, whether working with an advisor (in person or online) or making self-directed trades/transactions.

Quotes:

"It is encouraging that most Canadian investors are confident that the investment industry in Canada is properly regulated, although it is concerning that those who are not yet investing are far less confident. The more we understand Canadians' perceptions of regulation in the investment industry, the better we can address concerns, helping investors gain better access to the advice they need to achieve their financial goals." - Kathy Engle, IIROC's Vice-President, Strategy

"A strong majority of Canadian investors say it's important that advice come from a regulated firm or person, which validates the advantages of working with IIROC-registered firms or individuals. IIROC-registered investment advisors must meet and adhere to high ethical and professional standards and comply with IIROC Rules before they can work with investors – all important protections for investors." - Irene Wine, IIROC's Senior Vice-President, Member Regulation and Strategy

"IIROC wants to make its regulation more agile and more proportionate to meet Canadians' changing financial needs and expectations – all the while ensuring that investors remain protected, no matter how they choose to seek advice and consume financial services." - Andrew J. Kriegler, IIROC's President and CEO

About the survey:

Together with independent research firm The Strategic Counsel, IIROC surveyed a national online panel to explore how Canadians perceive their access and barriers to investment advice and services. More than 1,500 current investors and more than 500 aspiring investors participated.

This survey is part of IIROC's commitment to better understand how Canadians want to access and consume financial advice, products and services and to gather their input on the transformation of the investment industry. This investor survey follows IIROC's consultation with industry leaders on [Enabling the Evolution of Advice in Canada](#).

Find out more about IIROC's survey and other findings:

[Access to Advice](#)

[More than half of Canadians surveyed who don't invest say it's because they lack knowledge and confidence](#)

[Majority of Canadians surveyed want access to financial products and services from one place](#)

About IIROC:

IIROC is the pan-Canadian self-regulatory organization that oversees all investment dealers and their trading activity in Canada's debt and equity markets. IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while supporting healthy Canadian capital markets. IIROC carries out its regulatory responsibilities through setting and enforcing rules regarding the proficiency, business and financial conduct of more than 170 Canadian investment dealer firms and their more than 29,000 registered employees, the majority of whom are commonly referred to as investment advisors. IIROC also sets and enforces market integrity rules regarding trading activity on Canadian debt and equity marketplaces.

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