



FP CanadaTM

*Advancing Professional
Financial Planning*

RESPONSE TO IIROC
CONSULTATION PAPER –
COMPETENCY PROFILES FOR
REGISTERED REPRESENTATIVES
AND INVESTMENT
REPRESENTATIVES, RETAIL AND
INSTITUTIONAL

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Comments delivered by email to:

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INTRODUCTION

FP Canada™ is pleased to comment on the Investment Industry Regulatory Organization of Canada's (IIROC) *Consultation on Competency Profiles for Registered Representatives and Investment Representatives, Retail and Institutional*.

A national professional body working in the public interest, FP Canada is dedicated to championing better financial wellness for all Canadians by certifying professional financial planners and leading the advancement of professional financial planning in Canada. There are approximately 21,000 professional financial planners in Canada who, through CERTIFIED FINANCIAL PLANNER® certification and QUALIFIED ASSOCIATE FINANCIAL PLANNER™ certification, meet FP Canada's standards.

COMMENTS ON THE CONSULTATION PAPER

FP Canada commends IIROC for undertaking this significant and important project. The development of competency profiles for IIROC approval categories will serve to benefit all stakeholders, including IIROC-approved individuals, education providers, industry firms, and ultimately consumers.

For consumers in particular, these competency profiles will help ensure they can have confidence that any approved individual meets clear, consistent competency standards as defined by the applicable competency profile.

In today's environment, our research has shown that consumers do not understand the differences between various financial professionals and registration categories, their capabilities and limitations, or the products and services they are qualified to provide. The development of competency profiles for all IROC approval categories can play an important role in beginning to mitigate this confusion. **We encourage IIROC to consider ways to educate and communicate with consumers around the differences among the various titles and registration categories, based on these profiles, and the key differences in competency expectations among the various retail-facing licensees.**

We are supportive of the approach IIROC has taken to its framework, including the creation of graphic representations of the competency profiles, underpinned by detailed reference documents, all focused on specific knowledge, skills and behaviours. This approach is similar to our own approach to the *FP Canada Standards Council Competency Profile*. Like FP Canada's, IIROC's competency framework will

allow for a number of direct applications, especially around education development and the approval of future course providers.

In looking at the specific competencies outlined in the profiles themselves, we also support the general direction and believe that together they represent appropriate knowledge, skills and abilities for competent representatives trading in and advising on securities today.

We would counsel that once these competency profiles are finalized, it will be critical that they are dynamically maintained; that they are continuously revalidated to ensure they remain relevant and reflective of evolving consumer expectations. For reference, the *FP Canada Standards Council Competency Profile*, which identifies the core knowledge, skills and abilities required of QAFP™ and CFP® certificants, is revalidated not less than every five years to ensure it remains relevant, representative of the competencies and skills that Canadians expect of a financial planner, and an accurate reflection of the demands of financial planning practice. **We recommend IIROC set out a similar timeframe for its own reviews.**

As an example of the process for maintaining competency profiles, our most recent revalidation process was led by a national task force of CFP professionals and industry representatives. This work included updating language, identifying new or evolving competencies, addressing unnecessary competency expectations and updating the definition and statements specific to the professional skills required for financial planning practice. The work of this task force was then validated through surveys of other relevant stakeholders, including certificants, educators, and industry. **We recommend IIROC similarly seek to revalidate its profiles in consultation with key stakeholders.**

CONCLUSION

FP Canada commends IIROC for undertaking this project. We believe these profiles have the potential to hone IIROC's proficiency regime and enhance investor confidence, as intended.

Should IIROC staff have any questions in the development of the next phase of its competency profiles, we would welcome the opportunity to lend our counsel.



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