

5.1.2 Multilateral Instrument 33-107 - Proficiency Requirements

NOTICE OF RULE MADE UNDER THE SECURITIES ACT

MULTILATERAL INSTRUMENT 33-107 FORMS 33-107F1, 33-107F2 AND 33-107F3

PROFICIENCY REQUIREMENTS FOR REGISTRANTS HOLDING THEMSELVES OUT AS PROVIDING FINANCIAL PLANNING AND SIMILAR ADVICE

Notice of Multilateral Instrument

The Commission has, under section 143 of the Securities Act, made Multilateral Instrument 33-107 – Proficiency Requirements for Registrants Holding Themselves out as Providing Financial Planning and Similar Advice as a Rule under the Act and Forms 33-107F1, 33-107F2 and 33-107F3.

The Instrument and the Forms have been or are proposed to be adopted in certain jurisdictions comprising the Canadian Securities Administrators (“CSA”). It has not been necessary for the Québec securities and insurance regulators to participate directly in this initiative. A comprehensive regulatory regime governing financial planning came into effect in Québec on October 1, 1999 as part of a larger regime governing professions in the province. The Instrument would be adopted as a rule in Ontario and Nova Scotia, a Commission regulation in Saskatchewan, and a policy in one other participating jurisdictions represented by the CSA. The Forms will be adopted as rules in Ontario.

The proficiency requirements created by the Instrument have been developed by a special CSA Committee sponsored by the CSA and the Joint Forum of Financial Market Regulators. The CSA Committee includes representatives drawn from government insurance regulators and insurance councils. The insurance regulator or insurance council of certain jurisdictions represented by the CSA has recommended, or is expected to recommend, the adoption of a regulation, by-law or other instrument analogous to the Instrument. It is expected that the insurance regulators and councils will accept Forms 33-107F1, 33-107F2 and 33-107F3.

The Instrument, the Forms and the material required by the Act to be delivered to the Minister of Finance were delivered on February 9, 2001. If the Minister does not reject the Instrument or return it to the Commission for further consideration by April 10, 2001, or if the Minister approves the Instrument, the Instrument will come into force, pursuant to section 4.1 of the Instrument, on February 15, 2002. If the Minister does not reject the Forms or return them to the Commission for further consideration by April 9, 2001, or if the Minister approves the Forms, the Forms will come into force on February 15, 2002. The Financial Services Commission of Ontario (“FSCO”) will recommend to the Minister the adoption of a regulation in respect of life agents licensed under the Insurance Act similar in substance to the Instrument for consideration at the same time as the Instrument.

Drafts of the Instrument and Forms were published in December 1999.¹ During the period which ended on March 6, 2000 the CSA and the insurance regulators and councils received various submissions. The comments provided in these submissions have been considered by the CSA and the final versions of the Instrument and Forms being published with this Notice reflect the decisions of the participating members of the CSA.

Appendix A to this Notice provides a summary of the comments received and the response of the CSA.

Insurance and securities regulators in British Columbia participated in this initiative. At present the British Columbia Securities Commission will continue to apply its existing policy dealing with financial planning proficiency requirements. It proposes to include the examination required by the Instrument as one of the options available for satisfying the requirements of the policy. The Insurance Council of British Columbia is considering including the examination required by the Instrument as one of the options available for satisfying the Council’s proficiency requirements for members. Insurance and securities regulators in Alberta and Manitoba were represented on the CSA Committee, but are not participating in the financial planning proficiency regime contemplated by the Instrument at this time.

Substance and Purpose of the Instrument

A. Scope of Instrument

The Instrument applies to individuals and firms registered to trade or advise under securities laws. The Instrument requires individual registrants who hold themselves out under a variety of titles specified in the Instrument to satisfy an objectively determined proficiency standard. When used by securities registrants, these titles convey the impression that financial planning or similarly objective, comprehensive, integrated personal financial advice is offered.

Registered firms that use the restricted titles as business names or use a restricted service description are required to provide those advertised services, and to provide them through officers, employers or agents who meet the proficiency standard.

The same restrictions apply to titles and service descriptions used by licensed insurance agents and agencies.

B. Proficiency Standard

The proficiency standard created by the Instrument consists of:

- ! passing the Financial Planning Proficiency Examination (the “FPPE”) sponsored by the CSA and insurance regulators
- ! two years of insurance or securities industry experience in the last five years
- ! commitment to an approved continuing education program

¹ In Ontario, at (Dec. 3, 1999) 22 OSCB 7669.

The FPPE will be identical for both securities registrants and insurance licensees and will be administered on a national basis.

C. Transitional Grandfathering Relief

Individuals who have completed one of the financial planning education programs or testing processes specified in the Instrument or who enroll in a specified program before March 31, 2001 and in most cases complete it no later than March 31, 2003 will not need to write the FPPE.

This transitional relief will expire on March 31, 2004.

D. Notice

Registrants planning to offer financial planning and similar advice are required to notify all applicable regulators in advance that they have satisfied the proficiency standard.

E. Impact on Existing Registrants and Licensees

The CSA wish to emphasize that the Instrument will have no effect on the ability of registered dealers to act on behalf of their clients in buying or selling securities in which they are registered to trade. Similarly, the analogous insurance provisions will not prevent licensed insurance agents from selling insurance products.

However, the Instrument restricts the use of titles by individuals that are licensed or registered to sell financial products that would convey to customers the impression that objective, comprehensive, integrated financial advice tailored to their present and future financial circumstances is being offered. These registrants and licensees will not be able to hold themselves out to the public using these titles unless they have demonstrated their competence to provide the type of advice suggested by the titles. By the same token, registered firms will not be able to hold themselves out under the equivalent business titles unless the financial planning or similar advice is provided to customers by qualified individual registrants and licensees.

Summary of Changes to the Instrument

This section describes changes made in the Instrument from the version published for comment in December 1999, except that some changes of a minor nature are not discussed. For a detailed summary of the contents of the version of the Instrument published for comment in December 1999, reference should be made to the Notice published at that time. As the changes to the Instrument and the Forms are intended to clarify the intended meaning of the draft Instrument or to ensure overall consistency, they are not material and are not subject to a further comment period. The majority of changes were made by the CSA in response to comments received; others were made as a result of further consideration by the CSA.

Other than changes consequential to the Instrument, the only changes to the Forms are to require Forms 33-107F1 and 33-107F2 to be certified by the sponsoring firm, if applicable, as well as the individual registrant or licensee.

A. Clarification of "Provide a Document"

The application of the Instrument to a registered firm that provides clients with a document entitled "Financial Plan" has been clarified. An individual who does not satisfy the proficiency requirements may deliver or send the document so long as the individual does so on the instructions of an officer, employee or agent of the firm who satisfies the requirements.

New subsection 1.1(5) addresses the concept of "providing a plan" where a registrant that does not use a restricted title or service description and does not prepare a financial plan for its clients, pays a third party to prepare the plan for the clients. This provision states that the registrant will not be considered to have provided the document to a client if four conditions are met. These are that the preparer of the plan obtains directly from the client the information used to prepare the plan, the preparer delivers the document directly to the client, the preparer is independent of the registrant (as determined by an arm's length relationship as defined in the Income Tax Act), and the compensation arrangement is disclosed to the client.

B. Applicability to Institutional Salespeople

Subsection 1.1(6) has been added to clarify that the Instrument is not intended to apply to registrants that use restricted titles and service descriptions exclusively in providing services to institutional clients. The FPPE regime implemented by the Instrument is concerned with proficiency in financial planning and similar advice provided to individuals only.

C. Additional Grandfathering Exemptions

The CSA has added two programs to the transitional grandfathering exemptions following presentations made by the Canadian Association of Insurance and Financial Advisors ("CAIFA"), together with the delivery of detailed written submissions.

An additional grandfathering exemption is available to all those who passed the courses and examinations of the Chartered Life Underwriter (CLU) program offered by CAIFA before September 1995. The CSA are satisfied that the content of this program is comparable to that of other educational programs whose graduates are grandfathered and adequately covers the content domain sub-topics identified by Brendan Wood International ("BWI"). Due to structural changes to the programs offered by CAIFA after 1995, a grandfathering exemption is not available to those who completed the CLU program in the form offered from September 1995. As indicated in the Notice accompanying the draft Instrument, grandfathering of this program was under consideration by the CSA at the time the Instrument was published, but the assessment of supporting information had not been completed.

The second grandfathering exemption has been added for the comprehensive financial planning program offered by CAIFA. This program is considered equivalent to the comprehensive financial planning program offered by The Canadian Institute of Financial Planning, with which it shares modules.

The grandfathering exemption for those who receive a diploma from the Institut québécois de planification financière has been

extended to include individuals enrolled in the Institut as of March 31, 2001 who receive a diploma from the Institut within two years.

D. *Equivalency Exemption*

The Notice published in December 1999 stated: "It is intended that discretionary exemptions will be available in limited situations, based on the general premise that everyone will be required to pass the FPPE unless grandfathered." The CSA have decided to clarify the limited scope of the equivalency exemption by explicitly restricting its application to the requirement for registration or licensing for two years within the preceding five years.

The analysis of the equivalency of other Canadian examinations dealing with financial planning on an ongoing basis is inconsistent with the FPPE's value as a uniform, cross-sector standard. In that sense the FPPE is unique: by definition, no examination that was not also sponsored by the CSA and developed in accordance with the same processes could be equivalent in all material respects to the FPPE. Further, completion of a course and examination in a country outside Canada that is otherwise of the same scope and difficulty as the FPPE would not be equivalent to the FPPE due to the lack of Canadian content, such as Canadian taxation. The requirement to be subject to or undertake to comply with an approved continuing education regime is itself discretionary, so to provide for discretionary relief from it is redundant.

The CSA recognize that there are a wide variety of ways to obtain experience equivalent to two years of registration or licensing with a securities and insurance regulatory authority. These will be considered on an individual basis. It is anticipated that at a later date the CSA will publish a notice providing examples of the types of situations in which equivalency exemptions have been granted.

E. *Other Changes*

Other minor changes made for clarification purposes are as follows:

1. Clarification that an individual who satisfies the requirements on behalf of a registered firm must be an officer, employee or agent of the firm. That individual does not need to be a registrant.
2. Clarification that the reference to similar titles is to titles similar to "financial planner" and not to titles similar to any of the other titles derived from the pool. The same clarification is made with respect to similar service descriptions.

Additional Information

A. *Update on the Development of the FPPE*

A National Examination Working Committee ("NEWC") composed of four industry educational consultants representing the various industry sectors and chaired by Dr. Les McLean, a testing specialist, began preparing the FPPE in October 1999, working from a "blueprint" prepared by BWI from a survey of industry representatives. NEWC decided

unanimously to prepare an examination that would consist of multiple-choice questions (50%) and realistic cases to which examinees would have to construct responses (50%). Three hundred four-option multiple-choice questions were written, discussed, revised and edited, and three cases and questions were written. NEWC assigned multiple-choice items to one or more of the eight content "domains" specified by BWI and also gave each one a provisional difficulty/complexity rating using the Bloom Taxonomy (Knowledge, Understanding, Application, Analysis or Synthesis).

A pilot test was administered in Vancouver, Regina, Winnipeg, Toronto and St. John's on October 2, 2000 as a formal trial of the material. Volunteers were solicited by the CSA staff through industry organizations, CSA websites, and an advertisement in the Globe and Mail. Volunteers received a handbook describing the purpose, procedures, content (with examples), feedback to be provided, and the rules of conduct expected of those who wrote the pilot examination.

Two versions (forms) of the test were assembled by selecting multiple-choice items at random from the eight domains, 100 items for each form, and choosing three cases (two for Form A and one for Form B). Boxes of examinations, answer sheets, volunteer questionnaires, evaluation forms and administration instructions were sent out from Toronto, and the examinations were administered in the same way at all five locations.

Responses were obtained from 135 volunteers to 200 multiple-choice items and three cases. Volunteers completed a confidential personal questionnaire and most responded to a FPPE evaluation form. All forms were returned to Toronto. This information was analyzed and the results summarized in a report prepared by NEWC.

Various methods were used to analyze the quality of each multiple-choice question. These included whether a reasonable number of examinees chose each of the wrong answers, comparison of volunteers' performance on each item with their performance on the test as a whole, determining whether the test was most informative near the pass/fail level, and estimating the margin of error of the scores. These results were used to select the items for the FPPE.

Responses to the cases from the afternoon session were read and marked by the four industry representatives on NEWC. They followed procedures recommended in the testing profession: (a) discussing and, if necessary, revising suggested marking scales and criteria; and (b) marking the responses independently, discussing problematic cases as necessary to arrive at a consensus mark. The two cases included in Form A were less difficult than the case in Form B. NEWC members prepared a single revised case study for the first FPPE.

After studying the results from the pilot test and reviewing the items, NEWC has recommended 100 multiple-choice items and a single complex case study, each weighted at 50%, to make up the first FPPE. The items are distributed over the eight content domains as suggested in the BWI report, and there are numerous difficult/complex items as well as easier/less complex ones. NEWC is confident that the

examinees will find the FPPE challenging but fair, and submits that the FPPE will be an effective test of proficiency in financial planning.

B. Administration of the FPPE

A governance structure is being created for the administration of the FPPE. The structure is intended to involve the following:

1. Sub-Committee of the Joint Forum of Financial Market Regulators

The Joint Forum of Financial Market Regulators is an association of Canadian securities, insurance and pension regulators. Its Financial Planning Sub-committee will be responsible for ensuring that a national, uniform and rigorous standard is maintained through coordination, cooperation and consensus among securities and insurance regulators. The sub-committee will provide oversight and overall direction to the National Steering Committee, and resolve issues if agreement and consensus cannot be reached by that Committee.

2. National Steering Committee (NSC)

The NSC will be the key decision-making forum for industry participants to maintain and update the proficiency standard and to recommend revisions to the Instrument. Its functions will include designing and updating policies for the FPPE, providing direction to NEWC, determining the annual budget for the administration of the FPPE and the examination fee, and implementing a common communications plan, including informational materials for those planning to write the FPPE.

3. National Examination Working Committee (NEWC)

NEWC will be the technical body responsible for the implementation of the FPPE. Its members will be designated by the industry associations and their educational affiliates, but it will be chaired by an independent measurement and testing expert. NEWC will develop and maintain the examination blueprint, the item bank of questions, scoring methodologies, and a code of conduct for the FPPE. It will also implement a secure central exam correction procedure, score the FPPE, train correctors, ensure consistency in the level of difficulty among various sittings of the FPPE, develop standards for educators, and analyze and evaluate the results. The chair of NEWC will report to the NSC.

4. Central Support

Central Support will consist initially of one permanent staff person, who will provide administrative support for the Joint Forum Sub-committee, the NSC and NEWC. Central Support will be responsible for ensuring that inquiries are answered or directed to the appropriate area for response, and prepare agendas and minutes for meetings of the NSC and NEWC.

5. Industry Associations

The individual industry associations will be responsible for organizing examination sittings at their own test sites, delivering the FPPE, sending out materials including results, handling appeals in accordance with established policies, and collecting exam application forms and fees.

C. Continuing Education

The continuing education programs of CAIFA, the Canadian Bankers Association, the Investment Dealers Association of Canada and The Investment Funds Institute of Canada are approved for purposes of the Instrument. These associations have worked towards harmonizing the requirements of their programs to facilitate compliance by persons with multiple licenses or registrations and persons transferring among industry sectors. The CSA will consider requests for approval by other formal continuing education programs designed to update persons providing financial planning services.

Text of Instrument and Forms

The text of the Instrument and the Forms follows the Appendices to this Notice.

February 9, 2001.

**SUMMARY OF COMMENTS
ON
PROPOSED MULTILATERAL INSTRUMENT 33-107**

**PROFICIENCY REQUIREMENTS FOR REGISTRANTS
HOLDING THEMSELVES OUT AS PROVIDING
FINANCIAL PLANNING AND SIMILAR ADVICE**

PUBLISHED DECEMBER 1999

List of Commentators

- AIMR - Association for Investment Management and Research (Andrew D. Gadsby, Co-Chair, Canadian Advocacy Council; Philippa P.B. Hughes, Associate Advocacy)
- Bureau - Bureau des services financiers (Louise Champoux-Paillé, Economist)
- CAFP - Canadian Association of Financial Planners
- CAIFA - Canadian Association of Insurance and Financial Advisors (David Thibaudeau, President & CEO)
- CBA - Canadian Bankers Association (Raymond J. Protti, President & Chief Executive Officer)
- CBAO - Securities Subcommittee of the Business Law Section of the Canadian Bar Association (Ontario) (Jennifer Northcote, Stikeman, Elliott)
- CGA - CGA-Canada (Guy Legault, President and Chief Operating Officer)
- Chambre - Chambre de la sécurité financière (Josée Turcotte, Attorney, Senior Management Advisor)
- CICA - Canadian Institute of Chartered Accountants (William J.L. Swirsky, Vice-President, Professional Affairs)
- Clarica - Clarica Life Insurance Company (Michael Geraghty, Vice-President, Retail Customer Sales)
- CLHIA - Canadian Life and Health Insurance Association Inc. (Mark R. Daniels, President)
- CLUs - various holders of the CLU designation
- CMA - Society of Management Accountants of Canada (R.W. Dye, President & CEO)
- Co-operators - The Co-operators Group Limited (Dennis Deters, Senior Vice-President, Member & Corporate Relations)
- CSI - Canadian Securities Institute (Roberta Wilton, President)
- CUFPA - CUFPA Financial Planning Group (John E. Martin, President)
- CUIC - Credit Union Institute of Canada (Elizabeth Thorn, Executive Director)
- Dolan - R.J. Dolan, Associate Dean, Financial Management Technology, British Columbia Institute of Technology
- ET Sub. (IDA) - Education & Training Subcommittee of the RS Com. (IDA) (Kristine Vikmanis, Chair)
- FCPO - Fédération des caisses populaires de l'Ontario (Alain Boucher, Directeur)
- FCSI - Academy of Fellows of the Canadian Securities Institute (Bruce Templeton, Chair)
- Foster - Sandra Foster, RFP, FCSI, CaratConnect
- FPSC - Financial Planners Standards Council (Donald Johnston, President)
- IDA - Investment Dealers Association of Canada (Joseph J. Oliver, President and Chief Executive Officer)
- IFIC - The Investment Funds Institute of Canada (Hon. Thomas A. Hockin, President & C.E.O.)
- ILIB - Independent Life Insurance Brokers of Canada (Jim Bullock)
- IMCA - Investment Management Consultants Association (Bruce B. Curwood, Chairman of the Canadian Advisory Board)
- Investors - Investors Group Inc. (W. Terrence Wright, Senior Vice-President, General Counsel & Secretary)
- IQPF - Institut québécois de planification financière (Denis Boucher, President)
- LU - CISRO Financial Planning Program and Certificat en Planification Financière Personnelle of Laurentian University (Tov Assogbavi, Executive Director)
- Macdonald - I.D. Macdonald, R.F.P.
- Manulife - Manulife Financial and Manulife Securities International Ltd. (Phil Walton, President & CEO, Manulife Securities International Ltd.)
- McCallum - Richard McCallum, Program Head, Finance, British Columbia Institute of Technology
- MD - MD Management Limited (John Klaas, Assistant Vice President, Financial Services)
- Merrill Lynch - Merrill Lynch Canada Inc. (William D. Packham, President & Chief Operating Officer)
- Middlefield - Middlefield Securities Limited (W. Garth Jestley, President)
- Nesbitt Burns - BMO Nesbitt Burns Inc. (Dean Manjuris, President & Managing Director, Private Client Division)
- Primerica (Joe Vassi, Vice-President & General Counsel)
- Royal Bank - Royal Bank Financial Group (W. Reay Mackay, Vice Chairman, Royal Bank of Canada)
- RS Com. (IDA) - Retail Sales Committee of the IDA (Gary Reamey, Chair)
- ScotiaMcLeod - ScotiaMcLeod Inc. (James Werry, Managing Director)
- Streek - Frank Streek CLU, Certified Financial Planner, Money Concepts
- TD - TD Evergreen Investment Services (Susan Stefura, Manager, Financial Planning; Christopher Climo, Senior Vice-President, Compliance)
- WLU - Wilfred Laurier University (George Athanassakos, Professor of Finance & Director, Financial Planning Program)
- Wood Gundy - CIBC World Markets Inc. (Thomas S. Monahan, Head of Wood Gundy Private Client Investments)

Rules and Policies

Issue	Commenters	Comment	CSA Response
General			
Overall desirability	CAIFA CBA CGA Clarica CSI CUFPA Dolan FCPO FPSC IFIC ILIB IMCA Macdonald Manulife Nesbitt Burns Primerica ScotiaMcLeod Streek	CBA, Clarica, IFIC, IMCA, Macdonald, Manulife, Nesbitt Burns and ScotiaMcLeod commented to the effect that the proposal to implement the Instrument is generally desirable. CAIFA, CUFPA, FCPO, Primerica and Streek commented to the effect that they generally approve of the contents of the Instrument. Streek commented: "I applaud the work you . . . are doing and have no negative comments." ILIB commented that the consumer already is adequately safeguarded by existing legal requirements, including common law duties. It states: "Advice is 'opinion' and insurance practitioners are not willing to accept the notion that any regulator is empowered to regulate opinion." ILIB is concerned that the inevitable impact of the Instrument would be the end of all advice-giving by commissioned dual-licensed independents. ILIB further commented that its members are suspicious that the regulatory involvement may reflect a marketing concern by securities dealers and banks. CSI commented that the Instrument is unnecessary on the assumption that the existing courses are adequate, as indicated by the review done by Brendan Wood International. FPSC and CGA, one of its members, commented that the Instrument will create public confusion.	The general support for the Instrument is noted. The CSA became involved in this matter to promote an industry-based solution to the concerns raised by the various industry sectors and others about the absence of proficiency requirements as a prerequisite to the provision of financial planning advice. The CSA also were concerned about ensuring that pedagogical concerns would not be subordinated to other considerations. The Instrument is designed to reduce confusion by instituting a single proficiency standard across all sectors of the industry, regardless of designation. The Instrument does not restrict anyone's exercise of judgment in providing financial planning advice, but only addresses their having the proficiency to do so. The CSA disagree with ILIB on the adequacy of a system of consumer protection that relies solely on expensive redress in the courts after harm has been done and when the responsible person might not have adequate resources to compensate for the loss.
Participation	CBA CLHIA Clarica Dolan IFIC AIMR Manulife	CBA, IFIC, CLHIA, AIMR and Manulife commented that the collaborative effort, including the joint involvement of the securities and insurance sectors, is beneficial. Dolan, an academic at the British Columbia Institute of Technology, commented that the proposal should include the active involvement of persons other than industry course providers. Clarica commented that it should include FPSC.	The comments on the collaborative effort are noted. Of the four organizations that participated in the developing the FPPE and were actively involved in discussions concerning the Instrument, two, IFIC and CAIFA, are members of FPSC. Consideration is being given to having a larger number of organizations participate in the FPPE's ongoing governance and administration.
Self-regulation	CGA Clarica CSI CUIC CMA FPSC IDA IFIC Investors Macdonald McCallum RS Com. (IDA) WLU Wood Gundy	IDA, its Retail Sales Committee and Wood Gundy, an IDA member, commented that the requirements should be imposed through the IDA as a self-regulatory organization (SRO). IDA considers it a basic tenet of the SRO system that it is responsible for its registrants' proficiency requirements and is of the view that the Instrument undermines its SRO proficiency function in terms of setting financial planning proficiency requirements. FPSC, together with CGA, CMA, CUIC and IFIC, which are all members of FPSC, Investors, a member of IFIC, Clarica and McCallum, head of a British Columbia Institute of Technology program accredited by FPSC, also advocate the use of an SRO model, but suggest that it be through the FPSC. WLU, which has a financial planning program accredited by FPSC, commented that all financial planners should be required to have FPSC's Certified Financial Planner	The difficulties incumbent with designating either the IDA or FPSC as the SRO for financial planning are described under "Alternatives Considered" in the original Notice. The CSA understand that those advocating the IDA as the SRO would not accept the FPSC as the SRO and those advocating the FPSC as the SRO would not accept the IDA as the SRO. Thus the SRO alternative does not appear to be viable at this point. The CSA's experience to date verifies Macdonald's observation that the industry is too diverse for self-regulation by a single body, at least without the creation of a completely new regulatory structure as Quebec has done. The CSA proposed the FPPE requirement only after the various industry organizations were unable to agree among themselves on how to proceed. Persons who satisfy the Instrument's requirements remain entitled to obtain and promote themselves using the Certified Financial Planner designation or any other designation.

Issue	Commenters	Comment	CSA Response
		<p>designation. CSI favours use of the existing SRO model.</p> <p>Macdonald, a self-described “fee-for-service” advisor who has been in the “financial planning industry” for 28 years says that he has watched the various competitive groups in both Canada and the United States jockey for position: “The industry is too diverse to have self-regulation by a single body and, furthermore, this would not be desirable. It is very much in the consumer’s interest to have a number of competing organizations.”</p>	
Scope			
Use of title-based approach	CBA CBAO CLHIA Clarica Co-operators MD ScotiaMcLeod	CBA, CLHIA and Clarica endorse the use of a title-based approach for establishing the scope of the Instrument. CBAO and MD suggest the use of an activity-based approach, as used elsewhere in securities legislation. CBAO stated that the focus of the regulation should remain on the actual provision of financial planning services, rather than on titular nomenclature. Co-operators and ScotiaMcLeod also support an activity-based approach.	The CSA have chosen an approach based on holding out under a particular title because it provides the greatest degree of certainty in the application of the Instrument and is clearest for compliance purposes. A major problem with an activity-based approach is determining a suitable definition for the activity. FPSC and other industry groups advocate defining financial planning according to a six step process. These steps are not, however, sufficiently precise to serve as a definition of a regulated activity. A definition in terms of a process leaves open the question of how to classify a person who deviates from the process in some way, but nonetheless performs an activity that the public considers to be financial planning. As an alternative, the CSA would prefer a reliance-based approach over an activity-based approach, looking at whether a person has reasonably invited reliance by the public. Although the title-based approach chosen by the CSA creates the greatest certainty in the application of the Instrument, the CSA recognize that this approach creates technical problems, including the need to balance anti-avoidance concerns in creating the title pools with concerns that the restrictions could be over-inclusive in particular cases where avoidance is not intended.
Inclusiveness	CLHIA Clarica Co-operators Foster IDA IFIC Investors Macdonald MD RS Com. (IDA) ScotiaMcLeod Streek	<p>IDA, RS Com. (IDA), IFIC, CLHIA, Co-operators, MD, Foster, Macdonald (who describes himself as a fee-for-service advisor) and Streek commented that the requirements should apply not just to registrants and licensees, but also to fee-for-service planners and others who provide financial planning services. IDA suggests that the CICA and provincial law societies should be encouraged to adopt similar requirements in order to ensure the greatest number of individuals engaged in financial planning are subject to similar proficiency standards. IFIC mentions deposit brokers and income tax preparers as others who would not be covered. CLHIA and Streek are concerned about unqualified people in the banking industry.</p> <p>The concerns raised include the possibility of public confusion, uneven protections for the public, and competitive concerns. CLHIA strongly disagrees with the assertion that “consumers can only be injured by financial planning advice if the advice is implemented by the purchase of a product”. Clarica commented that those not covered by the</p>	<p>As discussed in the Notice, the consumer protection concerns arise predominantly in the case of persons who are registered or licensed to sell securities and insurance products. The issue of non-registrants receiving referral fees is beyond the scope of the Instrument. This issue is being addressed by the new Mutual Fund Dealers Association. The CSA note that any act directly or indirectly in furtherance of a sale of a security for valuable consideration generally requires registration under applicable securities legislation.</p> <p>Bank employees who sell mutual funds will be subject to the Instrument’s requirements. The CSA further understand that the banks will voluntarily require some of their employees who deal with customers but are not registrants or licensees to comply with the Instrument’s proficiency requirements. The CSA note IDA’s suggestion that other organizations be encouraged to adopt similar requirements.</p> <p>The CSA do not consider the Instrument to be over-inclusive in capturing individuals who do not provide true financial planning advice on the basis that those individuals should not hold themselves out as financial planners or under one of the other</p>

Rules and Policies

Issue	Commenters	Comment	CSA Response
		<p>Instrument could include those who receive "referral fees" on related product sales without being registered or licensed themselves.</p> <p>ScotiaMcLeod commented that the Instrument is over-inclusive in capturing a large number of individuals who may be providing a component of financial planning advice, but are not providing true financial planning advice.</p>	<p>restricted titles. They are entitled to provide a component of financial planning advice under other titles. A drafting change has been made to clarify that a "similar" title must be similar to "financial planning", not just to one of the other titles in the pool.</p>
<p>Title Pools (s. 1.1(1)(a) and others)</p>			
<p>Use of pools</p>	<p>CAFP CAIFA CBA Chambre Clarica FCPO IDA IFIC Manulife McCallum Merrill Lynch Middlefield Nesbitt Burns RS Com. (IDA) Royal Bank Wood Gundy TD</p>	<p>CAFP, CAIFA, IFIC, FCPO, Manulife and Nesbitt Burns support the use of the title pools for determining the Instrument's coverage. IDA, RS Com. (IDA), CBA, Clarica, Merrill Lynch, Middlefield, Royal Bank, TD, Wood Gundy, Chambre and McCallum oppose the use of the title pools and would limit coverage only to those holding themselves out as "financial planners".</p>	<p>The CSA are concerned that limiting the coverage of the Instrument to the use of the term "financial planner" allows the effect of the Instrument to be too easily avoided through the marketing of terms given a similar connotation.</p> <p>The Instrument is revised to remove the title "insurance planner" as a restricted title on the basis that it more specifically carries a product connotation and is currently in use for that purpose.</p>
<p>Terms in pool</p>	<p>CAIFA CLHIA Clarica IDA Manulife Merrill Lynch RS Com. (IDA)</p>	<p>The term "financial consultant" should not be included in the pool. This title does not cause confusion on the part of consumers, it is used by Merrill Lynch worldwide and CIBC World Markets in Canada, and the restriction on its use is costly and unnecessary.</p> <p>CAIFA (Canadian Association of Insurance and Financial Advisors) commented that it assumes its members are not precluded from holding themselves out as such without satisfying the Instrument's requirements.</p> <p>Clarica and Investors request clarification that the Instrument will not preclude the use of professional designations.</p> <p>CLHIA commented that the phrase "or any other similar title" may be too broad.</p> <p>Manulife queries whether that phrase includes the word "investment" and whether there is any restriction on a firm using "Financial Services" in its name.</p>	<p>The CSA are concerned that the term "financial consultant" is susceptible to misuse by firms whose names are unfamiliar to consumers and in mass marketing efforts by better known firms. The CSA have not received any information to change its view that titles such as "financial advisor" and "financial consultant" are not an indicator to consumers to expect that financial planning services are being provided.</p> <p>The Instrument's restrictions apply to professional designations on business cards or elsewhere, whether used in full or in abbreviated form. The Instrument will not restrict members of CAIFA from holding themselves out as such because the name "Canadian Association of Insurance and Financial Advisors" indicates that its membership is more broadly based than just financial advisors (or financial planners) and that membership does not in itself indicate that the member is holding itself out as a financial advisor.</p> <p>The use of the phrase "or any other similar title" is an anti-avoidance provision to address the concern that other titles similar to those on the list can be developed as a means of marketing someone as a person who provides financial planning services. The applicable regulatory authority should be contacted if there is uncertainty over the use of any proposed title. The use of any of the words "insurance", "investment" or "securities" is not restricted by the Instrument. There also is no restriction on a firm using "Financial Services" in its name.</p>

Issue	Commenters	Comment	CSA Response
Provide a Financial Plan (s. 1.1(1)(b) & 1.1(2)(b))			
Wording of provision	CAFP CAIFA CBA CBAO Clarica Foster Investors Nesbitt Burns Primerica Royal Bank ScotiaMcLeod TD	<p>Comment was requested on whether this provision might present difficulties due to the manner in which firms are organized CAIFA, CBA and Royal Bank commented that the requirement seems clear.</p> <p>CBAO requests clarification that the requirement excludes persons performing purely administrative functions in delivering or sending the document, rather than authoring or explaining it. Clarica and Investors request clarification that head office personnel who are not registered or licensed are entitled under the Instrument to prepare financial plans for salespeople to provide to clients.</p> <p>Several commenters construed the phrase "document referred to as a financial plan" more broadly than intended. Foster commented that other terms used in place of "financial plan" are "analysis", "review" and "financial independence calculation".</p>	<p>The wording "document referred to as a financial plan" is revised to say "document having a title that includes the expression 'financial plan'". The Instrument's requirements must be satisfied where either a registered individual or a registered firm provides a document of this type. Persons performing purely administrative functions are not subject to the requirements if they are not registered, but a registered firm employing them would be subject to the requirements. The provision has been revised to clarify that the person at the firm who does the act of delivering or sending the document does not need to satisfy the requirements if that person is acting on the instructions of a registered individual. Employees of a registered or licensed firm are not subject to the Instrument's requirements if their involvement is limited to preparing a financial plan for use by a salesperson who meets with the client.</p> <p>The CSA will consider revising this paragraph of the Instrument should it prove to be too narrow.</p>
Scope of provision	TD	TD favours a broader provision that addresses the substance of what is actually being done for the client, for which they state that a definition of "financial plan" is imperative.	In not addressing what is actually being done for the client, this provision corresponds with the title-based approach in aiming for greater clarity.
Examination Requirement (FPPE) (s. 1.1(1)1)			
Nature of FPPE	CBA IMCA FCPO	<p>CBA approves the proposed nature of the FPPE, including the use of constructed-response questions.</p> <p>FCPO commented that there should be a French version of the FPPE.</p> <p>IMCA commented that specialized proficiency examinations should be adopted. Alternatively, allow exemptions for areas of non-expertise and grant designations such as FPPE Insurance and FPPE Investments.</p>	The CSA will offer a French version of the FPPE. The use of specialized proficiency examinations is inconsistent with the Instrument's goal of establishing a generally applicable integrated examination. Persons lacking proficiency in particular aspects of financial planning should hold themselves out according to their particular area of expertise rather than as financial planners or under one of their other restricted titles.
Development of FPPE	CUFPA FPSC LU Macdonald	<p>Macdonald and CUFPA commented that the FPPE should be set and administered by the CSA.</p> <p>FPSC commented that the FPPE should be measured against generally accepted standards through independent audits.</p> <p>LU commented that to preserve impartiality all program providers should be invited to contribute to the FPPE or none at all.</p>	<p>The CSA retained Dr. Les McLean, a measurement expert, as an independent consultant to lead the development of the FPPE according to generally accepted measurement standards. Dr. McLean has reviewed and concurs with the standards applied to FPSC's examination. Impartiality has been maintained by developing the FPPE according to the domain sampling weights and levels of mastery established by Brendan Wood International, an independent consultant. The question pool has been created through the consensus view of four educational experts under the guidance of Dr. McLean. These experts are employed by CAIFA, CIFP, CSI and ICB, which are industry financial planning course providers. Including all program providers in the development process would make the process unwieldy and would not, in the CSA's view, alter the impartiality of the FPPE.</p>

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Issue	Commenters	Comment	CSA Response
Experience Requirement (s. 1.1(1)2)			
Alternative criteria	CAFP CBA Clarica FPSC IFIC Investors Nesbitt Burns	Limiting the requisite experience to two years of registration or licensing (other than through an individual application for an exemption) is overly restrictive. There should be a more general provision covering fee-only planners and others who have financial planning experience outside the securities and insurance industries, including accounting, law and other sectors of the financial services industry. The CBA recommends an alternative requirement consisting of attestation, subject to audit, of two years of financial planning related experience, including a financial plan prepared by the individual.	The factors to be considered in assessing the experience of persons who do not satisfy the registration or licensing requirement include involvement in gathering and analyzing data for the preparation of financial plans as well as dealing with clients. The CSA are unable to generalize the criteria for satisfying the experience requirement at this point.
Additional requirements	ET Sub. (IDA) ScotiaMcLeod WLU	ScotiaMcLeod commented that the requirement should relate more specifically to the actual provision of financial planning services. WLU commented that the experience requirement should be made more explicit. ET Sub. (IDA) commented that only experience subsequent to passing the FPPE should be considered.	The experience requirement has not been limited to experience obtained after passing the FPPE in order to maintain flexibility in respect of the varying practices of the various industry sectors.
Supervised experience	Foster Nesbitt Burns	Foster commented that the experience should be required to be under the supervision of someone qualified to provide financial planning services. Nesbitt Burns proposes that the two-year requirement be reduced for new entrants into the industry at firms which provide appropriate training and supervision in financial planning	Supervisory requirements otherwise applicable to the activities and dealings of registrants and licensees will continue to apply. Harmonization of supervisory requirements and processes among the securities and insurance sectors is not necessary for implementation of the financial planning proficiency requirements.
Other	Foster MD ScotiaMcLeod	ScotiaMcLeod commented that the experience requirement places an unnecessary hiring and training burden on firms by completely limiting rather than restricting the activities performed by new entrants. MD Management commented that, as a firm in the financial planning business, new entrants in the industry would essentially be unable to do any productive work during the two-year period. ScotiaMcLeod proposed as one option the creation of a lower level category for those who had passed the FPPE, but not completed the experience requirement. Foster commented that the experience requirement should be coordinated with the new MFDA requirement.	The CSA note that the experience requirement has not been of general concern for the financial services industry and that the various industry associations have supported this requirement. The Instrument restricts the activities to be performed by new entrants rather than limiting them completely.
Continuing Education Requirement (s. 1.1(1)3)			

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General	CAFP CAIFA CBA Clarica IFIC LU Royal Bank	All approve of the continuing education requirement. CBA (endorsed by IFIC and Royal Bank) provided a detailed outline for a set of continuing education requirements. IFIC recommends that the requirements be incorporated into the text of the Instrument. LU commented that the requirements should be clear in all respects.	The CSA will allow the industry associations to establish the applicable continuing education requirements. Individuals not subject to an approved continuing education program are required to commit to the program of their choice.
Amount required	CAFP CBA FCPO Foster IFIC Royal Bank TD	All commenters on this point other than FCPO consider 30 hours per year to be appropriate. FCPO recommend a minimum of 15 hours per year. CAFP and Foster recommend a maximum number of unverifiable hours (e.g., 10 hours per year), including for reading. CBA, IFIC and Royal Bank endorsed a requirement based on a three-year cycle.	The CSA do not expect to approve a continuing education regime having fewer than 15 verifiable hours per year of formal programs.
Coverage	CAFP CBA FCPO Foster IFIC Royal Bank ScotiaMcLeod TD WLU	WLU commented that the topics to be covered should be specified. CAFP, Foster and TD recommend that at least three domains be required, and CBA, IFIC and Royal Bank recommend at least two. FCPO commented that tax, law and insurance should be covered principally, while CAFP recommends at least one credit per year in ethical practice standards. ScotiaMcLeod commented that there should not be minimum requirements for certain domains, while CBA, IFIC and Royal Bank suggest that the requirements should establish general parameters.	This determination will be left to the industry associations. A key objective for avoiding duplicity is to integrate requirements for financial planning continuing education with existing continuing education requirements in related areas.
Procedural aspects	CAFP FPSC IFIC MD Nesbitt Burns ScotiaMcLeod TD	FPSC commented that everyone should be subject to a formal reporting requirement. Several commenters requested that the requirements be harmonized with those of the self-regulatory organizations. CAFP and ScotiaMcLeod particularly recommended that all filing requirements should be uniform.	Compliance with financial planning requirements will be harmonized with continuing education requirements regarding sales and advice to clients otherwise applicable to registrants and licensees. The CSA will not impose their own reporting requirements, but could audit the satisfaction of the continuing education requirements as part of compliance reviews. The CSA concur that the various industry organizations should harmonize their reporting and other requirements.
Existing continuing education programs	CBA TD	Existing continuing education programs are sufficient.	Noted.
Grandfathering Exemption (s. 2.1(1))			
Provision of exemption	CBA CUFPA Macdonald Royal Bank	CBA and Royal Bank endorse the approach of the grandfathering exemption. CUFPA and Macdonald recommend that there not be any grandfathering, but rather a grace period of a few years for passing the FPPE. Macdonald points out that an individual who is qualified should easily pass the FPPE.	While the option of not providing a grandfathering exemption has theoretical appeal, the grandfathering of individuals affected by new proficiency requirements is a common transitional practice. The grandfathering exemption attempts to be fair to those individuals who have passed examinations or completed courses designed to test financial planning expertise, while at the same time protecting the interests of clients.
Timing	FPSC TD	TD commented that the exemption should only be available to those in courses as of December 6, 1999, when the FPPE was announced.	The CSA could have used a December 6, 1999 cut-off date if it had announced that date at the time of the original announcement, but it is now too late to do so. The cut-off date will be shortly

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Issue	Commenters	Comment	CSA Response
		<p>FPSC commented that the exemption should only be available to those who complete their programs before the FPPE is developed. It is concerned that otherwise the grandfathering exemption will have the effect of turning the entire brokerage industry into a community of financial planners.</p>	<p>after the date of the final publication of the Instrument. As a practical matter, the CSA view it as unlikely that individuals will flock to sign up for lengthy financial planning courses of study where they would not otherwise do this merely to avoid writing a one day examination which the courses would prepare them to take. For those working full-time, completion of the courses can take several years.</p>
<p>Suggested modifications for listed programs</p>	<p>CAIFA CBA FPSC IFIC Manulife</p>	<p>FPSC commented that the grandfathering exemption should not be available to those in the programs of the Canadian Securities Institute, The Canadian Institute of Financial Planning or The Institute of Canadian Bankers, unless they have written its own CFP Professional Proficiency Examination. Manulife commented that the exemption should only be available to those who maintain membership in good standing with a recognized financial planning organization for added assurance that they remain current and have not violated any codes of conduct. CAIFA commented that the exemption for those designated as Personal Financial Planners by The Institute of Canadian Bankers should also indicate the applicable examination and course, as with the other exemptions. Bureau, CBA and IFIC recommend that the exemption for the Quebec program should be extended to include those enrolled in the program who have not completed it by 2001.</p>	<p>The CSA have been unable to obtain from FPSC or other interested parties any empirical evidence to justify requiring the CFP Professional Proficiency Examination as a supplement to the other indicated programs. The CSA considered a requirement as part of the grandfathering exemption that membership be maintained in the relevant organization for added assurance that an individual remains current, but concluded that individuals might choose not to maintain a membership in a voluntary organization for a variety of legitimate reasons. Grandfathered individuals will be subject to the Instrument's continuing education commitment and applicable registration and licensing requirements apply in respect of conduct. The exemption for those designated as Personal Financial Planners is revised to indicate the applicable examination and course. An exemption is added for those enrolled in the Quebec program before the Instrument becomes effective.</p>
<p>Additional programs</p>	<p>CAIFA CLUs Clarica Co-operators ET Sub. (IDA) FCPO FCSI FPSC IDA LU Manulife Merrill Lynch RS Com. (IDA) WLU</p>	<p>Additional programs suggested for inclusion in the list for purposes of the grandfathering exemption are CAIFA's Chartered Life Underwriter (CLU) program (CAIFA, Clarica, Co-operators, Manulife and various holders of the CLU designation), CAIFA's comprehensive financing planning program (CAIFA, FPSC), Fellows of the Canadian Securities Institute (ET Sub. (IDA), FCSI, IDA, Merrill Lynch, RS Com. (IDA)) and the CISRO financial planning program of Laurentian University (FCPO). FPSC, LU and WLU commented more generally on the absence of university and college financial planning programs from the list of grandfathered programs.</p>	<p>A grandfathering exemption is added for those who entered the previous CLU program before September 1, 1995 and complete it by March 31, 2002. On the basis of additional materials submitted and presentations made by CAIFA, the CSA are satisfied that the content of the previous CLU program is comparable to that of other educational programs being grandfathered and adequately covers the content domain sub-topics identified by Brendan Wood International. A grandfathering exemption is added for the comprehensive financial planning program offered by CAIFA on the basis that this program is equivalent to the comprehensive financial planning program offered by The Canadian Institute of Financial Planning, which already was proposed to be grandfathered in the draft Instrument. Grandfathering for these programs had not been requested at the time the CSA initially made their grandfathering determinations. The CSA have decided not to grandfather the Fellows of the Canadian Securities Institute on the basis that its financial planning component is inadequate for this purpose, having been based on Part I of the CIM Program. The purpose of the grandfathering exemption is to provide fair treatment to those in the financial services industry who have already pursued financial planning programs and who otherwise would be adversely affected in their livelihoods. The CSA do not consider the same concern to apply to graduates of accredited financial planning programs in academic institutions, and further understand that individuals in academic programs generally would be grandfathered in any event as</p>

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Issue	Commenters	Comment	CSA Response
			<p>a result of satisfying one of the other provisions for the grandfathering exemption, in particular the exemptions for those who pass the Professional Proficiency Examination administered by FPSC. Moreover, none of the academic programs have provided adequate information on their programs for an assessment nor have they formally requested the CSA to consider their programs..</p>
<p>Methodology for making determinations</p>	<p>CAFP CICA FPSC Investors LU ScotiaMcLeod WLU</p>	<p>CAFP, CICA, FPSC and ScotiaMcLeod commented that grandfathering determinations should be made after the FPPE is established, and WLU commented that the level of competence for the FPPE should first be defined. Investors commented that more discriminating analysis of the courses of study is needed. WLU commented that the grandfathering decisions are partisan and biased in favour of the Canadian Securities Institute and The Institute of Canadian Bankers.</p>	<p>Before proposing the exemptions for the purpose of public comment, the content domains for the FPPE were established, the test specifications were developed, and the levels of mastery for each domain were determined. Brendan Woods International assessed to a norm the curricula of a number of financial planning programs, including those grandfathered. The assessment of the grandfathered programs properly relies on the content which the examination questions will test rather than the particular questions that are available in the question pool will appear on any one examination. In any event, the grandfathering determinations were not finalized until after the initial question pool for the FPPE was established and the pilot test for the FPPE was evaluated. The grandfathering decisions were made on the basis of fairness, not on the basis of strict equivalence between examinations. No factual support has been provided to the CSA during the comment process to justify exclusion of any of the programs proposed to be grandfathered.</p>
<p>Equivalency Exemption (s. 2.2)</p>			
<p>Application</p>	<p>FPSC</p>	<p>FPSC suggests that a mechanism be created to determine equivalencies on an ongoing basis. It also criticizes the statement in the Notice to the effect that the general premise is that everyone will be required to pass the FPPE unless grandfathered.</p>	<p>Applications for equivalency exemptions may only be made by individuals and will be considered on an individual basis. A mechanism for determining equivalencies on an ongoing basis is contrary to the general principle that on a going forward basis everyone will be required to pass the FPPE. This is clarified in the Instrument by specifically limiting the equivalency exemption to the experience requirement.</p>
<p>Portfolio Manager Exemption (s. 2.3)</p>			
<p>Provision for exemption</p>	<p>FPSC Investors</p>	<p>This exemption should be removed.</p>	<p>The exemption recognizes existing practice. The activities permitted to portfolio managers under the exemption are very limited.</p>
<p>Expanded applicability</p>	<p>IDA RS Com. (IDA) Royal Bank Wood Gundy</p>	<p>This exemption should be expanded to include portfolio managers registered with the IDA, who are not registered as portfolio managers, but are designated as such.</p>	<p>This exemption is directed to a very specific group of individuals who are subject to the securities regulatory regime through their portfolio management activities. The rationale for the exemption does not apply to portfolio managers registered with the IDA because they are also registered to trade.</p>
<p>Additional restrictions</p>	<p>Foster IFIC</p>	<p>IFIC commented that “financial” and “wealth” should be deleted from the list of terms permitted to be used by registered portfolio managers. Foster commented that portfolio managers should be required to disclose whether or not</p>	<p>These terms reflect the nature of the category of registration and the terms currently in use. Due to the restrictions on the use of the exemption, the CSA do not expect this usage to cause confusion on the part of the public. Portfolio managers relying on the exemption are</p>

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Issue	Commenters	Comment	CSA Response
		their services include comprehensive financial planning.	not permitted to provide comprehensive financial planning services.
Notice Requirement (s. 3.1)			
Procedure	IFIC Manulife	IFIC suggests that firms should monitor and certify compliance by their sponsored individual registrants/licensees. Manulife requests clarification whether the notice must be filed with each regulatory authority.	The CSA concur with IFIC's comment. The forms are revised to require this certification except in the case of insurance agents who do not have a sponsoring firm. For each regulatory authority, the notice and other requirements will be put in place separately through a regulation, rule, policy or otherwise. The notice must be filed with each participating regulatory authority with which an individual is registered or licensed.
Disclosure Requirements			
Proposed disclosure	CGA Foster Macdonald MD	Various disclosure items were proposed, including disclosure about compensation arrangements. MD also suggested that clients be told in writing that they should see a tax practitioner, there is a time limit to the validity of the advice, and the reliability of the financial planning services depends on the information provided by the client. Foster suggested requiring disclosure as to whether the services include objective, comprehensive financial planning. Macdonald suggested that someone using an "adviser" type of title as opposed to a "salesperson" title should be required to provide a declaration in respect of their resulting fiduciary obligation.	The CSA are considering these comments in connection with the second phase of this project, which will deal with the management of conflicts of interest and the exercise of professional judgment in the provision of financial planning advice.
Additional Requirements			
Course requirements	CSI Dolan ET Sub. (IDA) IDA FCPO FPSC Foster LU Nesbitt Burns Royal Bank RS Com. (IDA) Wood Gundy	The suggestion that there be a requirement to take a recognized course in addition to passing the FPPE was made by IDA, its Retail Sales Committee, its Education & Training Subcommittee, its educational body (CSI) and three of its members. It was also made by FPSC and two of the academic programs it accredits. FCPO suggested that an academic course be required. The IDA letters express the concern that undue reliance is placed on the FPPE and the lack of a course requirement would result in an imbalanced educational model. The CSI letter makes detailed submissions about the preference for a course-based model and using mastery-based learning methodology, rather than traditional testing, for assessment. It states that an examination-based model encourages cramming, reduces knowledge breadth, reduces the competitive viability of intellectually challenging courses, sacrifices the advancement of modern learning techniques, typically reduces the period of required intellectual training, and obliterates the technological advantages now available to educators. FPSC commented that the FPPE should not be the exclusive filter and that mandatory	The Instrument only adds to any existing requirement to take a course a uniform cross-sector examination to serve as a proficiency filter. As the CSI and others have acknowledged, a properly designed examination is capable of assessing proficiency and depth of knowledge without being susceptible to cramming. The FPPE is being designed with this in mind. Half of the FPPE will consist of performance tasks that reward modern learning techniques, and place less emphasis on multiple choice questions. The FPPE is being prepared with examinable content that is wide and challenging with a view that, to the extent it changes the knowledge breadth, it is more likely to expand it for some course providers.

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		<p>education prerequisites should be supported by a comprehensive course outline indicating topics and required levels of competence. Foster suggests the addition of a 90-day training course.</p>	
Supervision requirement	<p>Bureau CAIFA CBAO ET Sub. (IDA) IDA IFIC MD Middlefield Royal Bank ScotiaMcLeod TD</p>	<p>All commenters except CAIFA and IFIC suggest that a supervised experience requirement be added. IDA, ET Sub. (IDA), CBAO, Middlefield, Royal Bank and TD recommend a period of close supervision after completion of the FPPE for training purposes. CBAO, MD and ScotiaMcLeod recommend ongoing supervision of financial planners by the firms for compliance purposes. CAIFA and IFIC oppose implementation of a requirement that registered or licensed individuals be subject to a day-to-day supervision requirement.</p>	<p>Supervisory requirements cover all activities of registrants and licensees, not just financial planning. Existing standards already address supervisory requirements. Possible changes to current supervisory requirements, including greater harmonization, are being addressed separately by certain jurisdictions. Some insurance regulators are in the process of implementing supervisory requirements for new insurance licensees.</p>
Ethical requirements	<p>CAFP CICA Dolan FPSC TD</p>	<p>It is important to institute a code of ethical behaviour for financial planners.</p>	<p>Standards of conduct for securities registrants and insurance licensees are already contained in applicable legislation and applied by common law doctrines. Consideration is being given to whether additional standards of conduct should be imposed specifically in relation to financial planning activity or more generally to the provision of advice. Any such additional requirements are not expected to impact on the proficiency requirements put into place by the Instrument. In addition, the securities and insurance regulators are separately working on the harmonization of practice code standards. Certain items that are appropriate for an industry association code of ethics are not appropriate for government prescription.</p>
Other requirements	<p>TD</p>	<p>TD suggests an additional requirement for submission of a financial plan to show proficiency.</p>	<p>The constructed response portion of the FPPE is designed in part to assess an examinee's ability to prepare a financial plan. Among other things, the CSA are concerned about their ability to ensure that a financial plan submitted for this purpose has in fact been prepared by the individual submitting it. The CSA also note that at least one of the industry organizations has recently eliminated a requirement to submit a financial plan for review.</p>
Ongoing Administration			
General	<p>CSI FPSC IFIC Manulife</p>	<p>FPSC commented that a governance structure needs to be determined and published before implementation. IFIC commented that government regulators should be full participants in the ongoing development of the proficiency standard. On an ongoing basis, there should also be sufficient input from all constituencies of the financial planning industry as well as self-regulatory bodies. Manulife commented that the Instrument needs to be followed up with additional standards and monitoring. CSI commented on the tasks involved in the ongoing administration of the FPPE. It advocates allocating the task of overseeing and administering the FPPE together with its related pedagogical issues at a competitive</p>	<p>A structure for administering the FPPE is being implemented, as discussed in the Notice to which this Summary of Comments is attached. The FPPE is being developed by the CSA in consultation with industry representatives and Dr. McLean. The ongoing administrative structure will have a wide ranging cross-sectoral representation and limited securities and insurance regulatory involvement. There will be ongoing development and testing of questions using generally accepted measurement standards, including testing for bias. The CSA note that a two year experience requirement must be satisfied in addition to the FPPE and that the experience can be obtained before or after writing the FPPE. As a result, the CSA believe that there will be less need to offer the FPPE as frequently as examinations that</p>

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Issue	Commenters	Comment	CSA Response
		price to the industry educators assisting in its creation. It also suggests that the FPPE will need to be offered on a regular basis and that doing so will be burdensome, resulting in additional costs to be borne by examinees and their employers.	themselves are prerequisites for undertaking a particular activity or are prerequisites for satisfying a subsequent experience or other requirement.
Quebec Concerns			
Applicability in Quebec	Bureau Chambre IQPF	All Quebec commenters, which are the regulatory bodies governing financial planning in Quebec, express the concern that the Instrument not be imposed on financial planners in Quebec. Chambre requests an exemption for financial planners conducting business in Quebec, while Bureau is concerned that the IDA will itself impose the requirements of the Instrument nationally.	The Instrument itself has no legal effect, but is implemented in each province and territory separately through the enactment of regulation, rule, policy or otherwise. A rule, for example, that is enacted in a particular province applies only in that province. In the case of the Instrument, it impacts only persons who are registered or licensed in that province and then only those who are holding themselves out as providing financial planning services in that province. The CSA would be concerned that a specific carve-out in this instance would imply the a rule otherwise could be considered applicable outside the province that enacts it. The structure of the Instrument does not require the IDA to take any action to implement it and, in fact, assumes that no such action will be taken. The CSA does not support imposing duplicative proficiency requirements.
Recognition of Quebec Standards	Bureau CBA	Bureau requests that all Quebec financial planners be exempted from the FPPE. CBA, whose financial planning program is the only industry program recognized in Quebec, encourages the establishment of reciprocity between Quebec and the other provinces in order that financial planning staff have mobility across the country.	The CSA Financial Planning Committee intends to discuss issues of reciprocity and mutual recognition with the Bureau.
Miscellaneous			
Additional restrictions on titles	AIMR CLHIA Chambre FPSC	CLHIA, Chambre and FPSC commented that persons eligible to use the term "financial planner" should not be allowed to use any other title in order to reduce confusion. AIMR commented that "money manager" and certain other titles should be reserved for the exclusive use of portfolio managers.	The CSA are of the view that imposing on everyone the use of a particular title would not further the purposes of the Instrument. Individuals who have satisfied the requirements of the Instrument might prefer to emphasize their particular area of expertise by holding themselves out as providing services principally in either the securities or insurance area. In addition, so long as coverage of the Instrument is limited to registrants and licensees, the CSA jurisdictions lack the power to impose a single uniform title on all persons holding themselves out as providing financial planning advice. As a practical matter, the CSA lacks the power to require everyone who would be entitled to use the title "financial planner" to do so. Exclusive use of the title "money manager" by portfolio managers is beyond the scope of the Instrument.
Use of definitions	CAFP CGA Nesbitt Burns ScotiaMcLeod TD	CAFP and ScotiaMcLeod commented on providing a definition of "financial planning" based on the CAFP's definition of financial planning as a process that involves six steps. CGA, Nesbitt Burns and TD commented that the definition of "financial planning" in the Notice is too focussed on retirement.	The Instrument has been structured in a way that defining "financial planning" by means of a six-step process would serve no regulatory purpose. The six steps as typically described by financial planning organizations are vaguely expressed and could apply to any advice to an individual for any purpose.

MULTILATERAL INSTRUMENT 33-107

**PROFICIENCY REQUIREMENTS FOR REGISTRANTS
HOLDING THEMSELVES OUT AS PROVIDING
FINANCIAL PLANNING AND SIMILAR ADVICE**

PART 1 PROFICIENCY REQUIREMENTS

1.1 Proficiency Requirements

- (1) A registrant who is an individual shall not:
- (a) hold himself or herself out in any manner:
- (i) using a title that includes the word “planner”,
 - (ii) using a title that includes any of the words “financial”, “retirement”, “wealth”, “security”, “asset” or “money” in combination with any of the words “adviser”, “advisor”, “consultant”, “specialist”, “expert”, “manager” or “counsellor”, or a title similar to “financial planner”,
 - (iii) as providing services described by the registrant using an expression that includes the word “planning”, or
 - (iv) as providing services described by the registrant using an expression that includes any of the words “financial”, “retirement”, “wealth”, “security”, “asset” or “money” in combination with any of the words “advising”, “consulting”, “specialty”, “expertise”, “management” or “counselling”, or an expression similar to “financial planning”; or
- (b) provide a document having a title that includes the expression “financial plan” to a client,
- unless, except as provided in Part 2, the individual has satisfied the following requirements:
1. The individual has passed the Financial Planning Proficiency Examination approved by the regulator and administered in a manner approved by the regulator.
 2. The individual has been a registrant under any Canadian securities legislation or a licensed life agent under any Canadian insurance legislation set out in Appendix A for at least two years during the five year period immediately preceding the day on which a notice is filed pursuant to section 3.1.
 3. The individual is subject to or has undertaken to comply with a continuing education regime approved by the regulator.

- (2) A registrant other than an individual shall not:
- (a) hold out any of its officers, employees or agents:
 - (i) using a title that includes the word “planner”,
 - (ii) using a title that includes any of the words “financial”, “retirement”, “wealth”, “security”, “asset” or “money” in combination with any of the words “adviser”, “advisor”, “consultant”, “specialist”, “expert”, “manager” or “counsellor”, or a title similar to “financial planner”,
 - (iii) as providing services described by the registrant using an expression that includes the word “planning”, or
 - (iv) as providing services described by the registrant using an expression that includes any of the words “financial”, “retirement”, “wealth”, “security”, “asset” or “money” in combination with any of the words “advising”, “consulting”, “specialty”, “expertise”, “management” or “counselling”, or an expression similar to “financial planning”,

unless the officer, employee or agent has satisfied the requirements of subsection (1); or
 - (b) provide a document having a title that includes the expression “financial plan” to a client, unless the document is provided on behalf of the registrant by, or on the instructions of, an officer, employee or agent who has satisfied the requirements of subsection (1).
- (3) A registrant other than an individual shall not hold itself out in any manner:
- (a) using a title that includes the word “planner”; or
 - (b) using a title that includes any of the words “financial”, “retirement”, “wealth”, “security”, “asset” or “money” in combination with any of the words “adviser”, “advisor”, “manager”, “consultant”, “specialist”, “expert” or “counsellor”, or a title similar to “financial planner”,
- unless it provides the services described by the title and those services are provided on its behalf directly to the client by an officer, employee or agent who has satisfied the requirements of subsection (1).
- (4) A registrant other than an individual shall not hold itself out in any manner:

- (a) as providing services described by the registrant using an expression that includes the word "planning"; or
- (b) as providing services described by the registrant using an expression that includes any of the words "financial", "retirement", "wealth", "security", "asset" or "money" in combination with any of the words "advising", "consulting", "specialty", "expertise", "management" or "counselling", or an expression similar to "financial planning",

unless it provides the services described by the title and those services are provided on its behalf directly to the client by an officer, employee or agent who has satisfied the requirements of subsection (1).

- (5) For purposes of paragraphs 1.1(1)(b) and 1.1(2)(b), if a registrant compensates a person or company for preparing a document, the registrant will not be considered to have provided the document to a client if:
 - (a) all of the information used to prepare the document was obtained directly from the client by that person or company;
 - (b) the document was delivered directly to the client by that person or company;
 - (c) that person or company is dealing at arm's length with the registrant within the meaning of that term in the ITA; and
 - (d) the compensation arrangement was disclosed to the client.
- (6) This Part shall not apply to a holding out to a person who is not an individual.

PART 2 EXEMPTIONS

2.1 Grandfathering

- (1) Subject to subsection (2), an individual need not satisfy the requirement contained in paragraph 1.1(1)1 if the individual falls into one of the following categories:
 - 1. Individuals who, as of March 31, 2001, have passed the Professional Proficiency Examination offered by the Financial Planners Standards Council.
 - 2. Individuals who, as of March 31, 2001, were enrolled in a course of study approved by the Financial Planners Standards Council as of January 1, 2001 and, by March 31, 2003, have passed the Professional Proficiency Examination offered by it.

- 3. Individuals who, as of March 31, 2001, have completed the courses in the Personal Financial Planner program offered by The Institute of Canadian Bankers.
- 4. Individuals who, as of March 31, 2001, were enrolled in a course of study of the Personal Financial Planning program offered by The Institute of Canadian Bankers and, by March 31, 2003, have completed the courses in that program.
- 5. Individuals who, as of March 31, 2001, have completed the courses in the Specialist in Financial Counselling program offered by The Institute of Canadian Bankers and, by March 31, 2003, have completed its Insurance and Estate Planning Course and Taxation and Investment Course.
- 6. Individuals who, as of March 31, 2001, were enrolled in a course of study of the Specialist in Financial Counselling program offered by The Institute of Canadian Bankers and, by March 31, 2003, have completed the courses in that program and its Insurance and Estate Planning Course and Taxation and Investment Course.
- 7. Individuals who, as of March 31, 2001, have completed the Professional Financial Planning Course offered by the Canadian Securities Institute.
- 8. Individuals who, as of March 31, 2001, were enrolled in the Professional Financial Planning Course offered by the Canadian Securities Institute and, by March 31, 2003, have completed that course.
- 9. Individuals who, as of August 31, 1995, were enrolled in the Chartered Life Underwriter program offered by the Canadian Association of Insurance and Financial Advisors before that date and, by March 31, 2002, have passed the courses and examinations in that program.
- 10. Individuals who, as of March 31, 2001, have completed the comprehensive financial planning program offered by The Canadian Institute of Financial Planning and passed the associated examinations.
- 11. Individuals who, as of March 31, 2001, were enrolled in the comprehensive financial planning program offered by The Canadian Institute of Financial Planning and, by March 31, 2003, have completed that program and passed the associated examinations.
- 12. Individuals who, as of March 31, 2001, have completed the comprehensive financial planning program offered by the Canadian Association of Insurance and Financial Advisors and passed the associated examinations.

13. Individuals who, as of March 31, 2001, were enrolled in the comprehensive financial planning program offered by the Canadian Association of Insurance and Financial Advisors and, by March 31, 2003, have completed that program and passed the associated examinations.
14. Individuals who, as of March 31, 2001, have passed the courses and examinations in the Chartered Financial Consultant program offered by the Canadian Association of Insurance and Financial Advisors.
15. Individuals who, as of March 31, 2001, were enrolled in the Chartered Financial Consultant program offered by the Canadian Association of Insurance and Financial Advisors and, by March 31, 2003, have passed the courses and examinations in that program.
16. Individuals who, as of March 31, 2001, have passed the Registered Financial Planner examination and hold the designation of Registered Financial Planner administered by the Canadian Association of Financial Planners.
17. Individuals who, as of March 31, 2001, have received a diploma from the Institut québécois de planification financière and were authorized by it to use the title of financial planner under the *Act respecting the distribution of financial products and services* (Quebec).
18. Individuals who, as of March 31, 2001, were enrolled in the Institut québécois de planification financière and, by March 31, 2003, have received a diploma from it and are authorized by it to use the title of financial planner under the *Act respecting the distribution of financial products and services* (Quebec).

(2) Subsection (1) does not apply to an individual who files the notice under section 3.1 after March 31, 2004.

2.2 Equivalency – Where the regulator is satisfied that an individual has qualifications that are equivalent to those specified in paragraph 1.1(1)2, the regulator may exempt the individual from that paragraph.

2.3 Portfolio Managers

(1) Paragraph 1.1(1)(a) does not apply to a registrant in the category of portfolio manager who is engaged solely in managing the investment portfolios of clients through discretionary authority granted by one or more clients, provided that the registrant:

- (a) holds himself or herself out under a title that includes any of the words “financial”, “wealth”, “security”, “asset” or “money” in combination with the word “manager”, and not under a title

that includes any of the other word combinations listed in subparagraph 1.1(1)(a)(ii) nor the word “planner”, nor under a title similar to “financial planner”; or

- (b) holds himself or herself out as providing services described by an expression that includes any of the words “financial”, “wealth”, “security”, “asset” or “money” in combination with the word “management”, and not described by an expression that includes any of the other word combinations listed in subparagraph 1.1(1)(a)(iv) nor the word “planning”, nor described by an expression similar to “financial planning”.

(2) Paragraph 1.1(2)(a) does not apply to a registrant in the category of portfolio manager that is engaged in the business of managing the investment portfolios of clients through discretionary authority granted by one or more clients, provided that the individuals held out to advise on its behalf are exempt from paragraph 1.1(1)(a) under subsection (1).

(3) Subsections 1.1(3) and (4) do not apply to a registrant in the category of portfolio manager that is engaged solely in the business of managing the investment portfolios of clients through discretionary authority granted by one or more clients, provided that the titles or services held out by the registrant are limited to the titles or services permitted to a registrant who is exempt under subsection (1).

PART 3 NOTICE

3.1 Notice

(1) Before a registrant holds himself, herself, itself or another person out in a manner described in section 1.1, or provides a document having a title that includes the expression “financial plan”, he, she or it shall file with the regulator:

(a) a notice that the registrant so intends in the form of Form 33-107F1 for individual registrants until March 31, 2004, Form 33-107F2 for individual registrants after March 31, 2004, and Form 33-107F3 for firm registrants;

(b) if the registrant is an individual, evidence that the individual has fulfilled the requirements set out in:

- (i) paragraph 1.1(1)1 or subsection 2.1(1), and
- (ii) paragraph 1.1(1)2; and

(c) any undertaking required by paragraph 1.1(1)3.

(2) Despite subsection (1), a registrant that relies on section 2.1 is not required to file any material under subsection (1) until the first day on which the registration fee payable by the registrant is due

under the applicable provision set out in Appendix B, following the date on which the registrant first relies on the section.

PART 4 EFFECTIVE DATE

4.1 Effective Date - This Multilateral Instrument comes into force on February 15, 2002.

Dated _____ day of February 2001.

Appendix A - Canadian Insurance Legislation

LOCAL JURISDICTION	STATUTE
ALBERTA	<i>Insurance Act</i>
BRITISH COLUMBIA	<i>Financial Institutions Act</i>
MANITOBA	<i>Insurance Act</i>
NEW BRUNSWICK	<i>Insurance Act</i>
NEWFOUNDLAND	<i>Insurance Adjusters, Agents and Brokers Act</i>
NORTHWEST TERRITORIES	<i>Insurance Act</i>
NOVA SCOTIA	<i>Insurance Act</i>
NUNAVUT	<i>Insurance Act</i>
ONTARIO	<i>Insurance Act</i>
PRINCE EDWARD ISLAND	<i>Insurance Act</i>
QUEBEC	<i>Act Respecting Market Intermediaries</i>
SASKATCHEWAN	<i>Saskatchewan Insurance Act</i>
YUKON TERRITORY	<i>Insurance Act</i>

Appendix B - Fee Provisions

LOCAL JURISDICTION	FEE PROVISION
NEW BRUNSWICK	Section 9 of the <i>Security Frauds Prevention Act</i>
NEWFOUNDLAND	Section 30 of the <i>Securities Act</i>
NORTHWEST TERRITORIES	Section 7 of the <i>Securities Act</i>
NOVA SCOTIA	Section 35 of the <i>Securities Act</i>
NUNAVUT	Section 7 of the <i>Securities Act</i>
ONTARIO	Section 29 of the <i>Securities Act</i>
PRINCE EDWARD ISLAND	Section 4 of the <i>Securities Act</i>
SASKATCHEWAN	Section 31 of <i>The Securities Act, 1988</i>
YUKON TERRITORY	Section 9 of the <i>Securities Regulations</i>

**MULTILATERAL INSTRUMENT 33-107
PROFICIENCY REQUIREMENTS FOR REGISTRANTS
HOLDING THEMSELVES OUT AS PROVIDING
FINANCIAL PLANNING AND SIMILAR ADVICE**

FORM 33-107F1

NOTICE BY INDIVIDUAL REGISTRANT/LICENSEE

This Form is in effect until March 31, 2004.

This is notice that I intend to hold myself out in the manner described in subsection 1.1(1) of Multilateral Instrument 33-107 or to provide documents having a title that includes the expression "financial plan".

Name: _____

Date of birth: _____

Name of sponsoring firm (if any): _____

1. Education

Complete one of A or B below:

A. I have passed the Financial Planning Proficiency Examination. *[Attach proof of passing]* _____

OR

B. I am exempt from having to pass the Financial Planning Proficiency Examination because: *[Check one and attach evidence. Refer to section 2.1 of the Multilateral Instrument for the relevant timing requirements in each case.]*

1. I passed the Professional Proficiency Examination offered by the Financial Planners Standards Council on or before March 31, 2001. _____

2. I was enrolled in a course of study approved by the Financial Planners Standards Council as of January 1, 2001 on March 31, 2001 and passed the Professional Proficiency Examination offered by it on or before March 31, 2003. _____

3. I completed the courses in the Personal Financial Planner program offered by The Institute of Canadian Bankers on or before March 31, 2001. _____

4. I was enrolled in a course of study of the Personal Financial Planning program offered by The Institute of Canadian Bankers on March 31, 2001 and completed the courses in that program on or before March 31, 2003. _____

5. I completed the courses of the Specialist in Financial Counselling program offered by The Institute of Canadian Bankers on or before March 31, 2001 and completed its Insurance and Estate Planning Course and Taxation and Investment Course on or before March 31, 2003. _____

6. I was enrolled in a course of study of the Specialist in Financial Counselling Program offered by The Institute of Canadian Bankers on March 31, 2001, and completed the courses in that program and its Insurance and Estate Planning Course and Taxation and Investment Course on or before March 31, 2003. _____

Rules and Policies

7. I passed the Professional Financial Planning Course and examinations offered by the Canadian Securities Institute on or before March 31, 2001. _____
8. I was enrolled in the Professional Financial Planning Course offered by the Canadian Securities Institute on March 31, 2001 and completed that course on or before March 31, 2003. _____
9. I was enrolled on August 31, 1995 in the Chartered Life Underwriter program offered before that date by the Canadian Association of Insurance and Financial Advisors and, by March 31, 2002, passed the courses and examinations in that program. _____
10. I completed the comprehensive financial planning program offered by The Canadian Institute of Financial Planning and passed the associated examinations on or before March 31, 2001. _____
11. I was enrolled in the comprehensive financial planning program offered by The Canadian Institute of Financial Planning on March 31, 2001 and completed that program and passed the associated examinations on or before March 31, 2003. _____
12. I completed the comprehensive financial planning program offered by the Canadian Association of Insurance and Financial Advisors and passed the associated examinations on or before March 31, 2001. _____
13. I was enrolled in the comprehensive financial planning program offered by the Canadian Association of Insurance and Financial Advisors on March 31, 2001 and completed that program and passed the associated examinations on or before March 31, 2003. _____
14. I passed the courses and examinations in the Chartered Financial Consultant program offered by the Canadian Association of Insurance and Financial Advisors on or before March 31, 2001. _____
15. I was enrolled in the Chartered Financial Consultant program offered by the Canadian Association of Insurance and Financial Advisors on March 31, 2001 and passed the courses and examinations in that program on or before March 31, 2003. _____
16. I passed the Registered Financial Planner examination on or before March 31, 2001 and held the designation of Registered Financial Planner administered by the Canadian Association of Financial Planners on that date. _____
17. I received a diploma from the Institut québécois de planification financière and was authorized by it to use the title of financial planner under the *Act respecting the distribution of financial products and services* (Quebec) on or before March 31, 2001. _____
18. I was enrolled in the Institut québécois de planification financière on March 31, 2001 and received a diploma from it and was authorized by it to use the title of financial planner under the *Act respecting the distribution of financial products and services* (Quebec) on or before March 31, 2003. _____

2. Experience

[Delete any portion that does not apply] I have been [registered under securities legislation] and/or [licensed under insurance legislation] for at least two of the previous five years in the following province or territory: _____ *[Provide evidence of registration if this notice is sent to a different regulatory authority than that of previous registration/licensing].*

3. Continuing Education

[Delete the portion that does not apply] I [am subject to]/[undertake to comply with] the continuing education regime established for financial planning by the following organization:

The personal information requested on this form is collected under the authority and used for the purposes of administering provincial and territorial securities and insurance legislation. I consent to the disclosure of any information contained on this form except my date of birth.

Dated: _____

This date may not be later than March 31, 2004.

The undersigned hereby certify that the foregoing statements are correct to the best of our knowledge, information and belief.

Signature

Signature of authorized officer of sponsoring firm

Name of signatory: _____

**MULTILATERAL INSTRUMENT 33-107
PROFICIENCY REQUIREMENTS FOR REGISTRANTS
HOLDING THEMSELVES OUT AS PROVIDING
FINANCIAL PLANNING AND SIMILAR ADVICE**

FORM 33-107F2

NOTICE BY INDIVIDUAL REGISTRANT/LICENSEE

This Form is for use after March 31, 2004.

This is notice that I intend to hold myself out in the manner described in subsection 1.1(1) of Multilateral Instrument 33-107 or to provide documents having a title that includes the expression "financial plan".

Name: _____

Date of birth: _____

Name of sponsoring firm (if any): _____

1. Education

I have passed the Financial Planning Proficiency Examination. *[Attach proof of passing]*

2. Experience

[Delete any portion that does not apply] I have been [registered under securities legislation] and/or [licensed under insurance legislation] for at least two of the previous five years in the following province: _____ *[Provide evidence of registration if this notice is sent to a different regulatory authority than that of previous registration/licensing]*

3. Continuing Education

[Delete the portion that does not apply] I [am subject to]/[undertake to comply with] the continuing education regime established for financial planning by the following organization:

The personal information requested on this form is collected under the authority and used for the purposes of administering provincial and territorial securities and insurance legislation. I consent to the disclosure of any information contained on this form other than my date of birth.

Dated: _____

The undersigned hereby certify that the foregoing statements are correct to the best of our knowledge, information and belief.

Signature

Signature of authorized officer of sponsoring firm

Name of signatory: _____

**MULTILATERAL INSTRUMENT 33-107
PROFICIENCY REQUIREMENTS FOR REGISTRANTS
HOLDING THEMSELVES OUT AS PROVIDING
FINANCIAL PLANNING AND SIMILAR ADVICE**

FORM 33-107F3

NOTICE BY FIRM REGISTRANT/LICENSEE

This is notice that the firm intends to hold itself out or hold out any of its officers, employees or agents in the manner described in subsection 1.1(2), (3) or (4) of Multilateral Instrument 33-107 or to provide documents having a title that includes the expression "financial plan".

Name of registrant firm: _____

Head office business address: _____

Dated: _____

Signature

Name of signatory: _____