

February 3, 2023

The Honourable Peter Bethlenfalvy  
Minister of Finance  
c/o Budget Secretariat  
Frost Building North, 3<sup>rd</sup> Floor  
95 Grosvenor Street  
Toronto Ontario M7A 1Z1

Submitted by email: [submissions@ontario.ca](mailto:submissions@ontario.ca)

Dear Minister:

**Subject: 2023 Budget Consultation**

Independent Financial Brokers of Canada welcomes the opportunity to provide our comments as Ontario prepares its 2023 budget.

Independent Financial Brokers of Canada (IFB) is a not for profit, professional association which represents approximately 3,000 licensed financial advisors located in communities across Canada.

IFB members provide financial advice and services to the public as independent entrepreneurs, rather than as employees or tied representatives of a financial entity. They are both small businesspeople and licensed financial professionals who conduct business in an industry which is heavily regulated.

*Access to professional financial advice from licensed individuals and firms is essential for Ontarians to plan and save for the future.*

These continue to be challenging times for all Ontarians. IFB members – and their clients – are no exception. They see firsthand, the many stresses and challenges their clients are facing as a result of the current economic conditions – many of which have negatively impacted their ability to meet expenses or save for the future.

Today's advisor is often both a professional and mentor who frequently establishes long-term relationships with clients and families. At the same time, regulatory and business pressures are causing some to question their ability to advise consumers with limited financial resources – leaving these consumers with little choice other than to utilize their local bank branch or credit union, online (no advice) DIY options, or simply do nothing to plan or prepare for their financial future.

In our view, Ontarians should have the ability to access tailored, professional advice regardless of their financial means or community of residence and have choice in how they access such advice. To encourage a competitive and open marketplace, we encourage the government to prioritize the reduction of unnecessary regulation and its associated regulatory burden, while encouraging innovation.

It is also our hope that the amalgamation of the MFDA and IIROC into a single SRO will lead to reduced costs, and streamlined regulations, so IFB members and small independent firms can continue to provide advice to consumers of all financial means.

*Financial Planner/Financial Advisor titling framework.*

The plethora of titles used by those operating in the financial services industry, whether licensed or unlicensed, has been confusing, even misleading, for consumers. IFB supports the steps taken by the CSA as part of its Client Focused Reforms, as well as the objective of Ontario's *Financial Professionals Title Protection Act, 2019* to reduce this confusion. However, the FSRA framework which operationalizes the *FPTPA* has been limited by the existing legislation. IFB is concerned that unlicensed individuals can hold out using these titles with no regulatory oversight and consumers will have limited recourse in the event of a complaint. We believe there are opportunities for the government to consider amending the Act, in a way that will better achieve its underlying purpose.

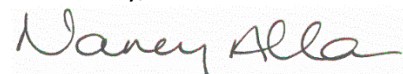
*Sellers of life/health insurance products should be licensed.*

In Ontario, life/health insurance products sold in conjunction with credit cards, loans, automobiles, or mortgages do not require the seller to hold a life or A&S insurance license. Typically, these products are sold in conjunction with another purchase, to insure the debt of the loan in the event of death or disability. Often, these purchases and the creditor insurance involve substantial sums. A number of other provinces (Manitoba, Saskatchewan, Alberta) have licensing regimes in place. New Brunswick has recently introduced this licence category and B.C. is considering amending its legislation to permit it.

IFB believes that anyone selling/advising on life/health insurance to the public should be licensed, properly trained, and subject to regulatory oversight. Consumers should have access to effective complaint mechanisms. Allowing the sale of these types of "incidental" insurance by those who are not licensed is a gap in consumer protection which should be addressed.

Thank you for the opportunity to comment. We would be pleased to expand upon any of the above.

Yours truly,



Nancy Allan

Executive Director

Email: [allan@ifbc.ca](mailto:allan@ifbc.ca)

Tel: 905.279.2727 Ext. 102

[www.ifbc.ca](http://www.ifbc.ca)