



**FPSC FINANCIAL  
PLANNING  
STANDARDS  
COUNCIL®**

July 30, 2018

Ken Woodard  
Director, Communications & Membership Services  
Mutual Fund Dealers Association of Canada  
121 King St. West, Suite 1000  
Toronto, ON M5H 3T9

Dear Mr. Woodard,

Financial Planning Standards Council (“FPSC”) is pleased to comment on MFDA Bulletin #0748-P: *Discussion Paper on Expanding Cost Reporting* (“the Discussion Paper”).

FPSC is a national, not-for-profit standards-setting and certification body that develops, promotes and enforces professional standards for financial planning through CERTIFIED FINANCIAL PLANNER® certification. FPSC certifies and oversees approximately 16,700 CFP® professionals and 2,000 FPSC Level 1® Certificants in Financial Planning across Canada. With FPSC’s formal partnership with the Institut québécois de planification financière, the only organization authorized to certify “financial planners” in Quebec, there are approximately 24,000 “financial planners” in Canada who have met, and continue to meet, FPSC’s unified financial planning standards.

### **Comments on the Discussion Paper**

FPSC commends the Mutual Fund Dealers Association of Canada (MFDA) for moving this important discussion forward. FPSC fully believes in the principle of transparency for investors and we agree that investors in Canada must have a complete and accurate understanding of costs associated with financial products and advice in order to make informed choices.

In keeping with the Discussion Paper, FPSC supports expanding cost reporting requirements for investment funds to ensure investors have a complete picture of the costs they pay for the funds they own, in addition to the advice and services they receive. As a matter of principle, we further support enhancing disclosure for any other financial products for which it is feasible to do so, to ensure a level playing field.

We agree there is value in providing information to clients on those costs proposed in the Discussion Paper, including the full MER of investment funds, transactional costs and other fees paid to third parties from the client’s account. In terms of how to most effectively present these costs to clients, as contemplated by the MFDA, we defer to other stakeholders who have extensive knowledge and expertise in account statements and reporting.

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Finally, while outside the scope of the Discussion Paper, clear rules, definitions and standards around the use of client-facing titles would enable consumers to better understand the value of an individual's advice or services when assessing or negotiating costs, and to make more informed choices when paying for them. In the current environment, too many consumers are confused as to the specific type of advice or service they need, and who is qualified to provide it, which limits their ability to assess value for money. We encourage the MFDA, in tandem with the Canadian Securities Administrators, other regulators and governments, to work towards a more strict, harmonized approach to titling that will enable consumers to readily understand the important differences between providers based on their actual capabilities, and to make cost decisions accordingly.

FPSC would like to thank the MFDA for the opportunity to provide comment. We wish to reiterate our support for continuing this important discussion and look forward to next steps in this process.

Sincerely,



Stephen Rotstein  
Vice President, Policy & Regulatory Affairs & General Counsel  
FPSC