

De : Heather Zacharias [REDACTED]
Envoyé : 7 juin 2017 17:48
À : CSA ACVM Secretariat
Objet : Re: Response to Consultation Paper 81-408 – Consultation on the Option of Discontinuing Embedded Commissions

Hello. I sent this message earlier today but received a response saying that my submission may not contain any personal information. So here is an edited version. Thank you.

Heather

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Hello. I am writing on behalf of myself and my husband to voice our concerns regarding the option of discontinuing embedded commissions for financial advisors. As self employed artists, we have come to terms with knowing that we will have less disposable income than if we had chosen to work in other fields. We are happy to sacrifice some of life's luxuries to be able to do the work we love and feel called to do. A big part of our success in being able to live debt-free on our relatively small incomes is due to the advice and guidance we have received from our Financial Advisors. We have been learning a great deal about financial responsibility and planning for our future from our advisors and it is they who have encouraged us to write to you.

Today, Canadians have a choice in how they pay for financial advice, whether through upfront fees or through embedded commissions based on the products they buy and the size of their investments. This is beneficial to lower-income households like mine, because it means that our Financial Advisors can make their living on commissions, particularly from larger clients, while still taking on small clients like us, who they make very little from on commissions, but have a huge passion to help and teach. However, proposed government changes may alter that.

Canadian regulators who oversee the sale of mutual funds are now proposing to ban embedded commissions for financial advisors, meaning that all clients would be forced to pay fees directly. These changes don't favour those who need professional advice most: Financially vulnerable Canadians who have less money to invest, whether seniors on a fixed-income or young people and artists like my husband and I who are just starting to save for retirement. We would not be able to go to a financial advisor if we were forced to pay direct fees of \$100 to \$300 per hour. And yet, the proposed changes mean financial advisors will lose the ability to decide how their clients may pay them and will not be able to keep their costs the same. Vulnerable Canadians may lose access to affordable, professional financial advice.

It is not only wealthy Canadians who should have access to financial advisors. All Canadians – regardless of their income or where they live – should have access to trustworthy financial advice.

I believe that Canadians like me should continue to have a choice in how they pay for financial advice – whether through commissions or upfront fees.

These proposed changes mean that:

- I may lose access to affordable financial advice;
- My financial advisor may not be able to keep their costs the same;
- Professional standards in the industry may not be maintained;
- Canadians will have little choice about who helps them manage their finances into the future.

I think the best way to maintain standards and keep fair access to advice is through the professionalization of the industry. Instead of limiting access to financial advisors, professionalization will make the industry stronger and protect the interests of Canadians.

Financial advisors are part of our community, and the advice they provide not only creates wealth, but also makes me feel more secure.

Thank you for taking the time to read this letter and consider our viewpoint on this issue.