

Mr. Éric Girard
Minister of Finance
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Subject: Maintaining the choice of method of compensation for financial advice for all Quebecers

Minister,

The President of the Autorité des marchés financiers (AMF) and the Canadian Securities Administrators (CSA), Mr. Louis Morisset, announced on December 19, 2019, the upcoming ban on deferred sales charges (DSCs) for the sale of mutual funds for Quebecers.

Minister, I urge you to intervene so that this regulation is not put into effect, which would otherwise cause irreparable damage to access to professional advice for all Quebecers.

For 30 years, the DSCs have allowed small Quebec investors to benefit from the professional advice of independent financial advisors. In the last 20 years of the Chambre de sécurité financière existence, no case of conviction for conflict of interest due to the use of DSCs in the sale of mutual funds has been identified by the Disciplinary Committee.

As a self-employed worker, the DSC has allowed me to help Quebecers under all conditions, because it is an advantageous method of remuneration for people of modest financial means. Above all, Quebecers of modest means need mutual funds to improve the return on their savings, and professional advice to succeed financially.

At the beginning of my career, the DSCs allowed me to start my clientele with small investors, who were neglected by the established advisors and those of the large brokerage firms. Today, I am proud to have contributed to their financial success, when they would otherwise have been neglected. They look to me as a true family doctor for their financial decisions. For these reasons, I am concerned about the AMF's plan to ban DSC, which will seriously jeopardize the next generation of professionals in my profession.

Minister, I congratulate you on your commitment to improving the enrichment of Quebecers and on your efforts to bring us closer to the standard of living of Ontarians. Unfortunately, the proposed regulation banning DSC, although authorized for Ontarians, will deprive 80% of Quebecers of professional financial advice to improve their financial situation. A measure that could compromise your efforts to improve the financial condition of Quebecers.

Minister, how is it possible that commissions on the sale of financial products such as GICs, market-linked term investments (MFTs) and mortgages, all offered by banks and credit unions, are included in their price, but are prohibited for mutual funds? How is it possible that Epargne Placements Québec can pay an integrated commission for its financial products, but it is prohibited for mutual funds?

Minister, I fully support the approach of my professional association of financial services advisors (PAFSA), which you met with on January 8. I am counting on your intervention in order to preserve DSCs. Professional advice must remain accessible to all Quebecers and continue to be paid for through the sale of mutual funds with deferred sales charges (DSCs).

Respectfully,

_____ Date: _____

Name