



DECISION DOCUMENT

Date: August /0, 2012

**IN THE MATTER OF THE SECURITIES LEGISLATION OF
MANITOBA AND ONTARIO
(the Jurisdictions)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTION**

AND

**IN THE MATTER OF
THE INSTITUTE OF ADVANCED FINANCIAL PLANNERS
(IAFP)**

AND

**VALUE PARTNERS INVESTMENTS INC.
(VPI)
(collectively, the Filers)**

DECISION

Background

The securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) under section 9.1 of National Instrument 81-105 *Mutual Fund Sales Practices* (NI 81-105) exempting the Mutual Fund Organizations (as defined herein) from the prohibition in subsection 5.4(1) of NI 81-105 to permit them to pay the direct costs (as such term is defined in NI 81-105) incurred by IAFP relating to a conference, seminar, course or other educational event (collectively, the Annual National Symposia) that is organized and presented by IAFP (the Requested Relief).

Under the Process for Exemptive Relief in Multiple Jurisdictions (for a dual application)

- (a) Manitoba is the principal regulator for this application;
- (b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in all provinces and territories in Canada; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* or in NI 81-105 have the same meanings in this decision unless they are otherwise defined in this decision.

"Mutual Fund Organizations" shall mean a member of the organization of a mutual fund (as defined in NI 81-105) that wishes to pay the direct costs relating to an Annual National Symposium organized and presented by IAFP and shall include VPI, as Filer.

"IAFP" shall refer to the Institute of Advanced Financial Planners, as Filer.

"VPI" shall refer to Value Partners Investments Inc., as Filer.

Representations

1. IAFP is a not for-profit corporation incorporated under the Canada Corporations Act. It is an industry organisation promoting professional development and expertise for individuals employed in the financial services industry who engage in financial planning. IAFP grants and administers the Registered Financial Planner (R.F.P. ®) designation. IAFP was formed in 2002 when the Canadian Association of Financial Planners (the former granting body for the R.F.P. ® designation) merged with the Canadian Association of Insurance and Financial Advisors to form Advocis. Advocis joined with a number of other organisations in supporting the exam-based CFP designation granted by the Canadian Institute of Financial Planners. . At the same time, some R.F.P. ® holders established IAFP as a separate designation-granting body to maintain a separate identity for themselves as financial planners and to continue the RFP designation separate from the CFP designation.
2. The head office of IAFP is located at:

6362 Fraser Street, Suite #449
Vancouver, B.C. V5W 0A1
3. In addition to educational programs, IAFP promotes professionalism in financial planning by advocating policy and legislation before government regulators at all levels, collaborating with other trade and industry associations in Canada, and administering a code of ethics that its members agree to abide by. The IAFP Code of Professional Ethics (the Code) governs the conduct of all of its members. The Professional Standards of Practice supplements the Code with practice guidance for the Registered Financial Planner (R.F.P. ®). All holders of the RFP® designation must comply with the standards as appropriate, or be subject to disciplinary procedures.
4. IAFP has approximately 400 members, who reside in the Jurisdictions. These members provide financial planning in accordance with the Professional Standards of Practice to include recommendations and advice relating to the purchase or sale of specific financial products. Members include individuals registered or licensed to sell life insurance, mutual funds or who act as fee only financial planners. There are four parts to the process of qualifying for the R.F.P.® designation — obtaining three character references from other professionals, submitting a comprehensive financial plan for peer review, and writing two examinations; one dealing with Ethics & Practice Standards, and the other being a full-day Technical Competencies exam.

5. There are four levels of IAFP membership.
 - (a) Affiliate Membership: members who do not plan to be practicing financial planners. Affiliate members may attend the Annual National Symposia and other membership meetings.
 - (b) Associate Membership: members must be employed in the financial services industry and are expected to obtain the R.F.P.® designation within 5 years. There are four parts in qualifying for the R.F.P.® designation: obtaining three character references from other professionals, one of whom must be a Professional Member, submitting a comprehensive financial plan for peer review, successfully writing the Ethics & Practice Standards examination, and successfully writing the Technical Competencies exam.
 - (c) Professional Membership: Associate Members of IAFP who have obtained the R.F.P.® designation, a university degree (or equivalent), basic financial planning education (such as completion of the CFP requirements or equivalent) and a minimum of 3 years experience in financial planning, must carry a minimum of \$1 million Errors & Omissions insurance, are financially solvent, have no criminal record and whose primary occupation is comprehensive financial planning as defined by IAFP.
 - (d) Retired Membership: Professional Members who retire from their financial planning practice and who no longer service clients but who wish to remain in contact with their peers and colleagues.
6. As part of its services to all members, IAFP organizes and presents the Annual National Symposia, educational conferences held for the benefit of its members and other financial planning practitioners. The primary purpose of the Annual National Symposia is to provide educational information about financial planning, investing in securities, mutual fund industry matters, and mutual fund issues generally, and therefore complies with the requirements of paragraph 5.4(2)(a) of NI 81-105. IAFP operating costs are covered solely through membership fees and Annual National Symposia revenues. These Annual National Symposia are usually held in British Columbia or Ontario. Attendees generally earn credit hours towards their annual continuing education credits
7. VPI is a corporation existing under the laws of Manitoba, with its head office being located in Winnipeg, Manitoba. VPI is registered as an Investment Fund Manager in Manitoba.
8. VPI is the manager and principal distributor of a number of mutual funds that are qualified for distribution in certain provinces and territories of Canada. Accordingly, VPI is a member of the organization of a mutual fund family within the meaning of NI 81-105.
9. VPI wishes to sponsor certain or all of the National Annual Symposia. However, subsection 5.4(1) of NI 81-105 prohibits Mutual Fund Organizations from sponsoring the costs or expenses relating to a conference, seminar or course that is organized and presented by the Investment Funds Institute of Canada (IFIC), the Investment Dealers Association of Canada (IDA) (now named the Investment Industry

Regulatory Organization of Canada or IIROC) or another trade or industry association.

10. The IAFP can be considered to be another trade or industry association as contemplated by NI 81-105.
11. Subsection 5.4(2) of NI 81-105 provides an exemption to permit members of the organization of a mutual fund to sponsor conferences, seminars or courses organized and presented by IFIC, IDA (now IIROC) or their respective affiliates in accordance with the conditions set out therein. No equivalent exemption is provided in NI 81-105 for trade or industry associations such as the IAFP.
12. VPI proposes to sponsor the Annual National Symposia in accordance with the conditions set out in subsection 5.4(2) of NI 81-105 that are applicable to a conference organized and presented by IFIC or the IDA (now IIROC).
13. IAFP anticipates that other Mutual Fund Organizations will similarly wish to sponsor a portion of the costs of its Annual National Symposia and agree to pay such costs for such Annual National Symposia on the same conditions. If the Requested Relief is granted, IAFP will ensure that VPI and other Mutual Fund Organizations sponsor the Annual National Symposia in accordance with the following conditions:
 - (a) the primary purpose of an Annual National Symposium will be the provision of educational information about financial planning, investing in securities, mutual fund industry matters, and mutual fund issues generally;
 - (c) none of the Mutual Fund Organizations will pay in the aggregate more than ten percent of the total direct costs incurred by IAFP for the organization and presentation of an Annual National Symposium;
 - (d) the selection of a representative of a participating dealer to attend any Annual National Symposium will be made exclusively by the participating dealer, uninfluenced by the Mutual Fund Organizations; and
 - (d) Annual National Symposia will be held in Canada

(collectively, the Conditions).

Decision

Each of the Decision Makers is satisfied that the test contained in NI 81-105 that provides the Decision Makers with the jurisdiction to make the decision has been met;

The decision of the Decision Makers under NI 81-105 is that the Requested Relief is granted, provided that:

- (a) the Mutual Fund Organizations and IAFP comply with the Conditions;
- (b) IAFP, on behalf of each Mutual Fund Organization (other than VPI) whose mutual funds are reporting issuers in Ontario and who wishes to sponsor an Annual National Symposia in reliance on this decision, file an advance written notice with

the Director of the Investment Funds Branch of the Ontario Securities Commission that:

- (i) Names the Mutual Fund Organization that intends to sponsor the Annual National Symposia in reliance on this decision; and
- (ii) confirms that the Mutual Fund Organization has agreed to sponsor the Annual National Symposia in accordance with the Conditions of this decision; and
- (c) this decision, as it relates to the Jurisdiction of a Decision Maker, will terminate in that Jurisdiction one year after the publication in final form of any legislation or rule of that Decision Maker which modifies the provisions of section 5.4 of NI 81-105 in a manner which makes the relief provided for in this decision unnecessary or provides similar relief on a different basis or subject to different conditions.



R.B. Bouchard
Director
The Manitoba Securities Commission