

Bonjour M. Bouchard,

Je crois que ce projet à travers l'option no.2 (ci-joint) est un pas dans la bonne direction.

Depuis toujours, notre profession comporte des éléments de travailleurs autonomes mais cela n'est pas reconnu.

Merci et bon succès avec ce projet.

Advocis Legislative Proposal

Option 2: Statutory Incorporation Framework:

In 2008, Advocis, an industry association of financial advisers and planners, put forward a legislative proposal for the incorporation of financial advisers.

The Advocis proposal would establish broad parameters and specific conditions for incorporation that are largely based on regulatory requirements found in the life insurance sector.

The Advocis proposal does not impose restrictions on directors or shareholders or on their shareholdings. Under this proposal, both registrants and non-

8
registrants could be directors and shareholders of a corporation providing trading and advising services.

Advocis maintains that adequate reporting requirements to assess the suitability of shareholders, coupled with legislative requirements to ensure the proficiency, suitability and personal liability of an individual registrant employed or otherwise engaged by a sales representative's corporation, would eliminate the need for restrictions on shareholder structures for an incorporated sales representative.

The Advocis proposal seeks to preserve the liability and obligations of the individual sales representative/incorporated sales representative to the client. Advocis has suggested that the personal liability issue could be addressed in a variety of ways by providing that:

- The acts of the sales representative's corporation are deemed to be the acts of the sales representative;
- The liability of an individual sales representative for a claim arising out of his or her obligations as a representative is not affected by the fact that the sales representative is providing trading or advisory services through a corporation;
- An individual sales representative is jointly and severally liable with the representative corporation for all liability claims made against the corporation arising from activities of a sales representative for errors or omissions that were made or occurred while the representative was a shareholder of the corporation;
- The liability of an individual sales representative cannot be greater than his or her liability would be in the circumstances if he or she were not practicing through the corporation;
- Individual sales representatives and their corporations would be obligated to maintain errors and omissions insurance, as is currently required on the insurance side.

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