

# SIPA report shows most Financial Advisors are registered as commission sales persons

TORONTO, Dec. 5, 2016 /CNW/ - Small Investor Protection Association publishes a shocking report "Checking an Advisor's Registration – Above the Law". The report reveals 96% of Financial Advisors are registered as commission sales persons. The report critiques the regulators approach for investors to check their Advisor's registration and states *"when you check your Advisor's registration and see that they are indeed registered, the probability is very high that they are registered as dealing representative or in plain language a sales person"*.

Data compiled over several months was obtained from the provincial securities administrators regarding the registration of representatives. Although advertising suggests the industry will look after client's best interests the shocking truth is the investment industry is using a majority of commission sales people to convince investors to buy their financial products. The report also discloses that the investment industry's failure to use representatives' registered classification appears to be against the law which is the provincial Securities Acts.

There are some representatives registered as "Portfolio Manager" and "Advising Representative" that are required to look after clients' best interests, but the majority of representatives is registered as "Dealing Representative" or sales person without a requirement to look after clients' best interests. It is a system of awards for selling that motivates the sellers to push products that maximize commissions. It should be a system of providing financial advice in the best interests of clients. The registration check should be more user-friendly to enable investors to quickly determine a representative's true registration category and qualifications.

This report is available by contacting SIPA to request a pdf copy by e-mail or on SIPA's website [http://sipa.ca/library/SIPAsubmissions/500\\_SIPA\\_REPORT\\_REGISTRATION-Above-the-Law\\_201611.pdf](http://sipa.ca/library/SIPAsubmissions/500_SIPA_REPORT_REGISTRATION-Above-the-Law_201611.pdf).

About SIPA: The Small Investor Protection Association (SIPA) was incorporated (Ontario corporation number 1327366) as a national non-profit organization at the end of January, 1999. SIPA is a voice for small investors and advocates for the interests of investors.

SOURCE Small Investor Protection Association

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