# Weekly Updates Issue # 656



## 1. Weekly Markets Changes

**[March 23, 2018]**

| S&P TSX | S&P 500 | Dow Jones | NASDAQ | CAD/USD | Gold | WTI Crude |
|---|---|---|---|---|---|---|
| 15,223.74<br>-487.6 -3.10% | 2,588.26<br>-163.75 -5.95% | 23,533.20<br>-1,413.3 -5.67% | 6,992.67<br>-489.3 -6.54% | $0.7778<br>+1.37c +1.79% | $1,347.33<br>+33.09 +2.52% | $65.88<br>+3.54 +5.68% |

## 2. Inflation surpasses BOC's target. Now what?

**[March 23, 2018]** The country's annual pace of inflation sped up to 2.2% last month to rise above the central bank's ideal target of 2%, Statistics Canada said Friday.

The agency's February data showed a significant boost to the inflation rate compared with the month before when it was 1.7%.

The report also found the average of the agency's three measures of core inflation, designed to omit the noise of more-volatile items like gasoline, also continued its upward momentum last month and has now climbed slightly above 2%.

Inflation is a central piece of the information for the Bank of Canada's interest-rate decisions and, with both readings above target, another hike could come even sooner than experts have anticipated.

Inflation is "not yet a scary monster, being essentially in line with what the Bank of Canada actually wanted to see," says Avery Shenfeld, managing director and chief economist at CIBC, in a Friday commentary.

"While prices are gradually heating up, growth looks a bit soft, with January retail sales disappointing—with only a 0.3% rebound after December's 0.7% drop," he adds.

His BoC forecast is for the central bank to continue to hold as it waits for "more news on GDP, although markets today will emphasize the CPI in taking bond yields higher and the [loonie] firmer."

James Marple, senior economist at TD, writes in his commentary that “the move higher appears broad-based, as evidenced by all three of the Bank of Canada’s core measures, which aim to strip out idiosyncratic price movements.”

He suspects the central bank’s “dovish tone of late will surely be challenged in light of today’s robust core inflation numbers.” Yet, he says, the “inflation target is symmetric: a slight overshoot of 2% is no ‘worse’ than an undershoot, and it is possible that minimum wage gains are pushing core measures higher—an impact that should be discounted.”

Marple is still calling for the BoC to hold rates this spring before a summer hike due to elevated “downside risks to the economic outlook.” The central bank will meet in April and May before its July summer meeting.

While last month’s inflation data “was hotter than expected,” Krishen Rangasamy, senior economist at National Bank, isn’t too excited, either. “This generalized uptick in prices is, however, consistent with an economy with no remaining slack after last year’s GDP surge.”

He, too, forecasts the BoC will “stick with its loose stance” over global uncertainty.

Nonetheless, “Assuming seasonal patterns hold in March, headline CPI is on track to grow in Q1 by 2.1% year-on-year (i.e. well above the 1.7% estimated by the Bank of Canada in last January’s Monetary Policy Report),” he adds.

## The details

The inflation report said the main driver that pushed up year-over-year consumer prices in February was the higher cost of gasoline, which rose 12.6%, while pricier items like restaurant meals and passenger vehicles also had impacts.

The primary downward forces on prices came from cheaper video equipment, digital devices, hotels and electricity.

Year-over-year prices climbed in every province in February compared to the year before, with the strongest acceleration in Atlantic Canada.

The last time the overall inflation reading reached 2.2% was October 2014, just as the oil-price crash was getting underway, while the average of the core measures hasn’t been above 2% since February 2012.

Bank of Canada governor Stephen Poloz has hiked the benchmark interest rate three times since last summer, but he maintained the rate following a policy meeting earlier this month in order to buy more time to monitor trade-related uncertainties out of the United States.

At the time, the bank reiterated that more interest rate hikes would likely be necessary over time. However, it said the governing council would proceed cautiously when considering future decisions and would be guided by

incoming data, such as the economy's sensitivity to higher rates, the evolution of economic capacity and changes to wage growth and inflation.
In a separate report Friday, Statistics Canada said retail sales increased 0.3% in January to $49.9 billion, with the biggest increase coming from general merchandise stores. In comparison, retail trade fell 0.8% in December to $49.6 billion.

## 3. Breaking down the latest provincial budget releases

**[March 23, 2018]** Since the start of the year, five provinces and two territories have tabled provincial budgets. This week, Alberta and Nova Scotia stepped up to the plate.
EY, in a Wednesday release, said the budget presented by Nova Scotia Finance and Treasury Board Minister Karen Casey on March 20 "contains a few tax measures" of note.
While "no changes are proposed to the corporate tax rates or the $500,000 small-business limit" or to personal income tax rates, says EY, the budget does propose two changes to personal credits/amounts.
Those are: removal of the $10,000 maximum on eligible medical expenses that can be claimed through the Medical Expense Tax Credit for a financially dependent relative, effective for the 2018 tax year; and the introduction of an Innovation Equity Tax Credit that will replace the current available credit.
The province has agreed "in principle" to enter the federal government's coordinated cannabis tax framework for two years after recreational cannabis is legalized.
Further, Casey called for "a surplus of $29.4 million for 2018-19, and projects surpluses for each of the next three years," says EY.
Alberta's March 22 budget mainly contained tax measures that had already been previously announced, says EY.
"The minister anticipates a deficit of $8.8 billion for 2018-19, and projects further deficits of $7.9 billion in 2019-20, $7 billion in 2020-21, $4.3 billion in 2021-22, and $1.4 billion in 2022-23," says EY. Then, "A surplus of $0.7 billion is projected in 2023-24."
Alberta, too, left corporate tax rates and small-business limit untouched. But it did propose two business tax measures including an Interactive Digital Media Tax Credit, which, after Apr. 1, 2018, would "reimburse eligible interactive digital media companies up to 25% of their eligible labour costs," says EY.
Along with extending the Alberta Investor Tax Credit and the Capital Investment Tax Credit, the province will also raise the thresholds for its credit

amounts and tax brackets by 1.2% in 2018, as part of its ongoing effort to annually index the tax system to inflation.

The budget confirmed “the sale of cannabis in Alberta will be taxed by the federal government under a federal excise tax.” Alberta expects to take in $26 million in taxes related to the legalization of marijuana.

“This budget continues to support the vital programs and services Albertans need,” Finance Minister Joe Ceci said Thursday. “It continues to work on the diversification of our economy and we need that vitally because of the wild swings in our revenues.”

The budget increases funding for core programs in education, health and community services. There is also money for previously announced incentive programs to diversify the energy-based economy and deliver more high-tech spots in post-secondary schools.

However, there’s a debt load of $54.2 billion this year for a province that was effectively debt-free 14 years ago. The debt is expected to hit $96 billion by 2024.

Says Ceci: “That’s what it will take to make sure we don’t do without the important services and programs Albertans have come to rely on.”

Alberta Party leader Stephen Mandel, disagrees, saying the long-term revenue forecasts are unrealistic and the government is making no effort to control some costs.

“It’s just going to eventually bankrupt the province,” he said.

Liberal legislature member David Swann said the budget represents a failure to diversify the economy.

“We need to start having an adult conversation about a harmonized sales tax,” said Swann.

## Which province is next?

Next week both Quebec and Ontario will table their budgets, on March 27 and 28, respectively.

Looking ahead to Tuesday, the Montreal Economic Institute (MEI) says in a release, “The Quebec government must not squander the rigour of recent years by opening the floodgates and spending with abandon.”

It adds, “According to reports, the next budget will include among other things a considerable increase of 4.5% in health spending, or nearly $1.7 billion. Unlike in recent budgets, there will be no surplus.”

MEI points to a Leger survey from February, which found 71% of Quebec residents don’t believe the amounts “injected over the past ten years in health and education” have helped.

Items to watch for in the Ontario budget include healthcare changes, such as expansion of the OHIP Plus program, and measures to address the cost of childcare. There could also be commentary on the Ontario Ministry of Finance's consultation on title reform for financial planners and advisors, which was released last week.

## 4. Trump exempts close U.S. allies from tariffs

**[March 23, 2018]** The European Union, Australia, Argentina, Brazil, South Korea, Canada and Mexico will get initial exemptions from looming steel and aluminum tariffs from the Trump administration. President Donald Trump authorized the exemptions late Thursday night.

Trump is planning to impose tariffs of 25% on imported steel and 10% on aluminum—trade penalties aimed at China for flooding the world with cheap steel and aluminum.

The White House says the exemptions will last until May 1, 2018, pending ongoing discussions.

The White House says any country not currently benefiting from the exemption is welcome to discuss being added to the list "based on a shared commitment to addressing global excess steel and aluminum capacity and production."

That news came after lawmakers were calling on the Trump administration to provide more clarity on which countries would be exempted from looming tariffs on steel and aluminum.

### What about China?

Trump moved on a separate trade front earlier Thursday, paving the way for tariffs on China as punishment for what he said is the theft of American technology. He told reporters that the threat of the steel and aluminum tariffs was already having an impact.

"Many countries are calling to negotiate better trade deals because they don't want to have to pay the steel and aluminum tariffs," Trump said.

The restrictions on Chinese investment and tariffs apply to nearly $50 billion-worth of Chinese imports to punish Beijing for stealing American technology and pressuring U.S. companies to hand it over.

China had already been warning that it would take all necessary measures' to defend itself, raising the prospect of a trade war between the world's two biggest economies.

The White House then said President Trump would direct the Office of the U.S. Trade Representative to publish a list of proposed tariffs for public comment within 15 days. USTR had already identified potential targets: 1,300 product lines worth about $48 billion. The president was also asking Treasury

Secretary Steven Mnuchin to come up with a list of restrictions on Chinese investment.

The move will make the U.S. a “much stronger, much richer nation.,” Trump said.

“Trump’s trade tantrums are putting him on the wrong side of history,” says Nigel Green, founder and CEO of deVere Group, in a Friday release. “By imposing tariffs and opposing free trade and globalization, he is potentially creating a totally unnecessary trade war that will be detrimental to the U.S. and global economies. It is almost like he is trying to drag America back.”

Since the U.S. leader’s “tariff plans have created uncertainty and put global stock markets under pressure,” he adds, “investors [should] review their portfolios to ensure that they are properly diversified across regions, sectors and assets classes.”

## China’s response

China announced a $3-billion list of U.S. goods for possible retaliation. It also girded Friday for a bigger battle over technology policy as financial markets sank on fears of global disruption.

The Commerce Ministry said higher duties on pork, apples, steel pipe and other goods would offset Chinese losses due to Trump’s tariff hike on steel and aluminum imports. It urged Washington to negotiate a settlement but set no deadline.

In a separate and potentially bigger dispute, the ministry criticized Trump’s decision Thursday to approve a possible tariff hike on Chinese imports over Beijing’s technology policy. It gave no indication of a possible response but a foreign ministry spokeswoman said Beijing was “fully prepared to defend” its interests.

“We don’t want a trade war, but we are not afraid of it,” said the spokeswoman, Hua Chunying.

Yet, financial markets sank on concern the escalating tensions might disrupt the biggest global trading relationship or lead other nations to raise import barriers.

Tokyo’s benchmark tumbled by an unusually large 5.1%, while the Shanghai Composite Index closed down 3.4%. The dollar dipped to 104.90 yen as investors shifted into the Japanese currency, which is viewed as a “safe haven” from risk.

The list announced Friday was linked to Trump’s steel and aluminum tariffs, but companies already were looking ahead to a battle over complaints Beijing steals or forces companies to hand over technology.

The U.S. steel and aluminum tariffs also have irked Japan, America’s closest ally in Asia.

Beijing has reported a trade surplus of $275.8 billion with the United States last year, or two-thirds of its global total. Washington reports different figures that put the gap at a record $375.2 billion.

## 5. Pitfalls of using alternative mortgage lenders

**[March 22, 2018]** Samantha Brookes has been warning Canadians to take a close look at the clauses in their mortgage contracts for years, but her refrain has become a bit more prevalent in recent months.

Since the Office of the Superintendent of Financial Institutions' mortgage stress test was implemented in January, the founder of the Mortgages of Canada brokerage has seen "a huge influx" of Canadians who fail to qualify for a bank mortgage turning to alternative lenders that range from risky loan sharks to larger, more conventional companies like Home Trust.

While alternative lenders can provide a lifeline for Canadians who have run out of other financing options, Brookes said they come with pitfalls for those who don't bother looking at the fine print.

"You need to read those contracts," she said. "[With an alternative lender], the interest rates are higher, the qualifying rate is higher than if you were going with a traditional bank and they are going to charge 1% of the mortgage amount (as a lender's fee) for closing, so that means your closing costs increase."

Alternative lenders tend to offer less wiggle room on their terms, so Brookes said that means you should pay special attention to another dangerous term she's seen slipped into mortgage contracts: the sale-only clause.

It's less common, Brookes said, but if left in, it might mean the only way you can break your mortgage is by selling your home. She usually makes sure it's nixed from her client's contracts immediately.

She also advises mortgage-seekers to research a potential lender's reputation, which can easily be done online. Looking up some lenders will reveal their involvement in growing strings of court cases, she said.

"If they are constantly in court fighting with consumers for money, are you willing to put yourself at risk with that kind of person?" Brookes recommended asking yourself.

Still, she said alternative lenders "that don't end up in court every two seconds" are out there and can offer a good mortgage, if you do your research.

Broker Ron Alphonso has seen what happens when you don't look into your lender. He recently heard from a couple who borrowed $100,000 via a paralegal posing as a broker, who then convinced the couple to give the money back to him so he could invest it on their behalf. Instead of investing it, the paralegal disappeared to Sri Lanka with the funds, leaving the couple on the hook for the money and resulting in eviction from their home.

“They got very, very poor advice,” Alphonso said. “Apparently the person that arranged the mortgage was an agent and paralegal that has since been disbarred. If they had a lawyer working for them, at least the lawyer could have said [before they signed the mortgage] maybe this isn’t right.”

Alphonso recommends seeking advice from a broker, who he said should also be questioned about how tolerant a lender will be if you were to default on one of your payments.

Some lenders quickly force their clients into a power-of-sale or foreclosure, while others will find a way to work out an arrangement that will allow them to keep their home.

“If you are already in some kind of financial problem and you go to a lender that is not flexible, you make the situation worse,” Alphonso said. “If you miss one payment, [within] 15 days you can be in power-of-sale.”

When that happens, he often sees people refuse to leave their home and try to fight the power-of-sale or foreclosure. They take the matter to court and end up spending tens of thousands of dollars in legal fees that can eclipse any remaining equity they might have in their home.

If they lose their case, which Alphonso said happens often, they end up with a massive lawyer’s bill, no equity to cover it and no place to live.

That’s part of why he said those seeking financing should have an exit strategy to get out of any mortgages they sign with an alternative or private lender with a higher interest rate.

“Your goal should always be to get to a lower interest rate,” he said. “If they don’t go in with a true goal of how to get out of this private mortgage, there will be a problem down the road.”

Alphonso recommended looking for an open mortgage, where you can prepay any amount at any time without a compensation charge or a prepayment limit that you would often find in a closed mortgage.

Open mortgages come with higher interest rates, but give buyers the option to switch to a cheaper lender if something happens. However, switching does often come with penalties, he said.

Because some agents and brokers don’t give enough information or fully explain penalties and clauses, he said the best way to keep out of trouble when seeking a mortgage is to ask lots of questions and understand what you’re getting into before signing on the dotted line.

## 6. How banks differ on future BoC rate hikes

**[March 21, 2018]** Following 3% GDP growth in 2017, Canada's economy is expected to moderate going forward.

In a long-term forecast report, TD Bank forecasts Canadian GDP to settle at a more sustainable 2% rate over the next two years. From 2020-2022, growth is expected to average 1.7%.

"Population aging and modest productivity growth equate to a slower pace relative to history," says TD.

The bank says Canada's economic capacity has largely been absorbed, which should "keep the Bank of Canada biased toward further rate hikes." **The bank expects one more rate increase in 2018 and two in 2019**.

"The policy interest rate is anticipated to reach 2.50% by 2022, which remains modest within a historical context," says TD.

In a report on central banks, RBC economist Josh Nye says Canada's economic backdrop makes the case for gradual tightening, "but developments on the trade front will be equally important in the Bank of Canada's near-term decisions. That point was certainly emphasized in their March policy statement that left rates unchanged."

Still, RBC's rate forecasts have **the overnight rate reaching 2.0% in Q4, requiring three more hikes this year**.

In a monetary policy report released earlier this month, National Bank economists say they expect **two rate hikes this year**.

"We expect the Bank of Canada to remain on the sidelines for another couple of months, by which time there may be more clarity on trade, something that may allow the central bank to raise interest rates two more times later in the year," says the report.

Also in a forecast report released earlier this month, Scotiabank chief economist Jean-François Perrault says he expects the Bank of Canada will **raise rates by another 50 basis points this year** "based on domestic fundamentals," including above-potential growth and price pressures.

Perrault expects the next hike will come in May, "though the odds of that are decreasing given mounting trade-related uncertainties." He plans to re-evaluate his outlook when trade announcements are made.

BMO also forecasts two rate hikes, in Q3 and Q4.

## U.S. outlook

U.S. fiscal stimulus should see growth of 2.7% in 2018, and 2.9% in 2019, says TD.

Indeed, today the Fed upped its 2018 GDP projection by two ticks to the 2.7% consensus, and increased its 2019 call to 2.4%, as it raised its key interest rate by a quarter point to a range of 1.5% to 1.75%.

"As the temporary lift from tax cuts and spending fade, growth is expected to moderate to 1.8% by the end of 2020," it says.

TD expects an accelerating path for inflation and monetary tightening as the U.S. economy is already at or near full employment.

The tight labour market and wage pressures should result in a pass-through to consumer inflation. "As a result, we anticipate a very modest overshoot of the Federal Reserve's 2.0% target over the next few years," says TD.

In a prescient preview report of today's stateside rate announcement, Michael Gregory, BMO deputy chief economist, says real GDP growth rates, lower unemployment rates and faster inflation rates should serve as the backdrop for an upward revision in Fed rate hikes.

"We look for the median projection for the Fed funds rate to show four rate hikes this year (instead of three before), with a 2018-end range of 2.25%-to-2.50%. […] Beginning with a higher starting point, for 2019, at least two rate hikes should remain, with a year-end range of 2.75%-to-3.00%," possibly higher, he says.

Nye had also forecasted four rate hikes from the Fed this year, starting with today's announcement.

"With the economy running at full capacity and getting a fiscal boost this year, the Fed is increasingly confident that inflation will hit 2% on a sustained basis," he says. "That should keep them hiking through 2019."

Today, the Fed added a hike to its dot plot forecast for 2019.

## 7. What to expect in Ontario's budget

**[March 20, 2018]** Ontario Premier Kathleen Wynne, whose Liberals face an uphill battle in the spring provincial election after 15 years in office, countered her opponents' election promise of change with one of her own, saying only her party can deliver "big change."

Wynne made the comments just hours after the government delivered a throne speech that promised major spending in healthcare to tackle hospital wait times and expand home-care and mental-health services, while reducing the overall deficit.

"I'm proposing that we make big changes in the way we support care for each other," Wynne said in an interview with The Canadian Press. "Yes, it's an extension of what already exists but it's a real leap forward in terms of putting supports in place."

While touting her party's plan, Wynne took a swipe at her main rival, newly minted Progressive Conservative leader Doug Ford, whose party is leading in the polls.

“What Doug Ford’s suggesting is actually going backwards in status quo,” she said.
Wynne notes her plans—to be spelled out when the government tables its budget on March 28—will help address the challenges she believes people in Ontario are currently facing. She praised NDP Leader Andrea Horwath for some of her ideas, which Wynne said were designed to care for people.
“I like some of her ideas,” Wynne said of Horwath. “It’s the same impulse to really respond to the anxieties people are feeling. What Doug Ford’s proposing will not address people’s anxieties.”
The speech from the throne, read out by Lt.-Gov. Elizabeth Dowdeswell, offered no specific numbers for the promised investments but suggested that healthcare is poised to be a major focus of the coming budget.
The government also announced plans to expand the OHIP Plus program that currently offers free pharmacare to residents under the age of 25, saying it wants to make the program available to a larger swath of the population.
“Your government’s plan for care and opportunity is the right way forward for Ontario’s people, and Ontario’s economy, because the well-being of both are intrinsically linked,” Dowdeswell told the legislature.
Last week, Ontario’s Financial Accountability Office warned that a growing and aging population is adding pressure to Ontario’s healthcare system and spending isn’t keeping up—a situation that could result in compromised quality of care if left unaddressed.
In 2012, the province tried to slow health spending by imposing a four-year freeze on hospital funding, increasing hospital efficiency and by restraining wage growth in the sector.
Since then, the province ratcheted up spending with a so-called “booster shot” of $6.9 billion of funding in the 2017 budget.
The speech also hints at measures to address the cost of childcare, which it identifies as a “stumbling block” for many families.
It also contains promises for later in the child’s life cycle, saying it would expand the program that currently offers free tuition to thousands of people.

## More promises

The government said last week that the 2018 budget will run a deficit of 1% gross domestic product—which could be as high as $8 billion—and would map out “a clear path” back to balance.
Hours after the throne speech, Ford told a boisterous rally in Toronto that the province can’t afford the Liberal government’s promises, adding that it amounts to billions in new spending and debt.
“The problem with Kathleen Wynne, the problem with her government—we saw it today in her throne speech—they will say and promise anything to stay

in power," Ford told supporters on Monday night. "(She) wrote a lot of cheques with the taxpayers' bank account. … We all know the finances of this province and I can tell you all those cheques are going to bounce."

Horwath likened the plan to her own dental-care platform announced on the weekend, which saw her promise to invest $1.2 billion to subsidize dental care for 4.5 million residents.

"The difference is New Democrats actually believe these things and will implement them upon being elected," Horwath said, adding that the Liberals often change their tune after they've already been voted in. "We believe in these things before elections and after elections."

Horwath has said the money for the dental care program, dubbed Ontario Benefits, would be raised through tax increases on corporations and wealthy individuals. She has said her government would run a deficit, but did not provide additional details.

## 8. Ontario seeks input on title reform for financial planners and advisors

**[March 19, 2018]** Ontario's Ministry of Finance released a consultation paper indicative of its commitment to establish credentials for financial planners, as well as to regulate who can use the title of financial planner and, potentially, financial advisor.

The government says it seeks input from a wide range of stakeholders, including consumers, accrediting bodies, financial planners and financial services industry associations.

Specifically, the consultation paper seeks input on questions related to:

restricting the title of "financial planner" to those holding "a recognized financial planning credential";

prohibiting the use of titles similar to financial planner; and

creating a central database of financial planners.

The government says it is also soliciting stakeholder views on how "financial advisor" should be treated under the proposed framework.

In the paper, the government says that "other aspects of the proposed framework remain under development" and that "the government will ensure that stakeholders have the opportunity to provide further input as it develops other aspects of the framework."

### Restricting who can use "financial planner"

The government acknowledges there are several accreditation bodies that provide education or training related to financial planning, but they have varying requirements.

For a credential to be recognized under the proposed framework, it would have to meet specific standards under the proposal, including a code of ethics, continuing education and a disciplinary process for revoking credentials when warranted.

In the consultation paper, the government says that the framework is expected to include a periodic review of credentials to ensure they meet proposed standards. Further, the standards themselves "will be subject to periodic review, to ensure that they remain relevant as the financial planning discipline evolves."

The paper also says the government will consider "an appropriate transition period" to allow sufficient time for advisors to acquire a recognized credential.

In Quebec, where "financial planner" is already a regulated title, there's a move by the Professional Association of Financial Services Advisors for a designation for independent advisors, since being a financial planner doesn't necessarily preclude one from being a salesperson.

## Prohibiting other titles

Ontario's framework proposes that the word "planner," in combination with any of the following words, be prohibited as a title: wealth, portfolio, asset management, securities, insurance, money, retirement, asset, investment, mutual fund and mortgage.

The above list isn't exhaustive, says the paper.

Also prohibited would be other titles that could mislead consumers to believe they're dealing with a financial planner.

And, as previously mentioned, the government wants input on the use of "financial advisor." Asking for input, the consultation paper says, "How should the use of the title 'financial adviser' or 'financial advisor' be treated under the proposed framework outlined in this paper?"

## Creating a central database

The government intends to create a new central, publicly accessible database for all financial planners in Ontario, in response to current fragmented registries, which represent a challenge for consumers.

The central database would "provide a one-stop-shop where consumers will be able to verify whether or not an individual holding himself or herself out as a financial planner holds a recognized credential," says the paper. "This will reduce the burden of due diligence on the consumer and promote increased consumer confidence in financial planners."

## Looking at how we got here

The consultation paper is the latest step in a process that began in April 2015, when the Ontario government appointed an independent expert committee to consider the regulatory framework for financial planning and advisory services in Ontario.

The expert committee's final report, released in March of last year, recommended a harmonized regulatory framework for financial planning and advisory services, including restrictions on title use and establishing proficiency requirements.

Following Ontario's 2017 budget, the Ministry of Finance worked with Ontario's financial services regulators to evaluate the expert committee's recommendations and advise the government on how best to enhance the existing regulatory framework.

The 2017 Ontario economic outlook and fiscal review announced a plan to develop legislation that would regulate Ontario's financial planners.

## Have a nice and fruitful week!