

July 21, 2011

## **BROKER'S WORLD CANADA: Firms Prepare Social Media Policy**

--Assante Wealth looks at allowing advisers to use Facebook and Twitter

--Macquarie Private Wealth envisions launch pilot program for some advisers

--IIROC's revised guidelines on social media use coming soon

By Evelyn Juan

A DOW JONES NEWSWIRES COLUMN

TORONTO (Dow Jones)--Some Canadian wealth management firms could soon allow their financial advisers to use Twitter, Facebook and other forms of social media for business purposes.

Assante Wealth Management , a unit of CI Financial Corp ., (CIX.T) is looking at allowing advisers to use Facebook and Twitter. Macquarie Private Wealth has been drafting its own social media policy, with an eye toward launching a pilot program for a handful of financial advisers in the late summer or early fall.

A spokesman for Assante confirmed the company's intentions, but couldn't provide details on the firm's social media policy. A person familiar with the plans said the company told advisers at a recent Las Vegas conference that it includes use of Facebook and Twitter. Currently, the firm only allows advisers to use LinkedIn for business.

Macquarie Private Wealth, the Canadian wealth arm of Macquarie Group Ltd . (MQG), is working on training five to ten financial advisers who will pilot its social media program, says Silu Modi,

vice president for digital marketing at Macquarie. Macquarie is setting up a system to enable its compliance unit to monitor real-time content and messages from various social channel.

The use of social media has been increasingly popular among advisers here, although many are so far officially limited to use of LinkedIn and blogs on corporate websites.

RBC Dominion Securities , the retail brokerage unit of Royal Bank of Canada (RY), for instance, does not now allow investment advisers to promote their businesses on social networking sites. That policy is under review, in light of social media's potential usefulness, according to a company spokeswoman.

Last February, the Investment Industry Regulatory Organization Canada published a draft guideline to address compliance and supervisory issues that arise when advisers use Web-based social media to communicate with clients.

An IIROC spokesman said it is still in the process of reviewing comments and is probably a few weeks away from approving and issuing the revised guideline.

Advocis, the Financial Advisors Association of Canada, said in a comment letter to the IIROC that the regulator's initial guidance could have a chilling effect on advisers. It pointed to a requirement that every conceivable client communication -- from the national advertisement to the last email and tweet -- must be recorded, retained, tracked, monitored and supervised. Some communications also must be pre-approved.

Advocis said such "air-tight" supervision and monitoring could put too big a burden on smaller dealers, and suggested that it might be better for IIROC to simply require that firms ensure client communications are true and fair and not false or misleading.

"A truly principles-based approach could protect consumers while imposing a far less cost and compliance burden on both IIROC and its dealer members, and ultimately on consumers," Advocis said in the letter.

-By Evelyn Juan, Dow Jones Newswires; [416-306-2025](tel:416-306-2025); [evelyn.juan@dowjones.com](mailto:evelyn.juan@dowjones.com)

(Evelyn Juan writes about financial advisers and their jobs, with a particular focus on news, trends, business strategies, organizational changes, and regulatory issues relevant to the retail brokerage sector in Canada. She also writes about wealth management practice and personal financial issues. Evelyn is on Twitter @evelynjuan.) [ 07-21-11 1136ET ]

(c) 2011 Dow Jones & Company, Inc.