



FP CANADA STANDARDS COUNCIL™ 2022 REPORT





About FP Canada™

Established in 1995, FP Canada is a national not-for-profit education, certification and professional oversight organization working in the public interest. FP Canada is dedicated to championing better financial wellness for all Canadians by leading the advancement of professional financial planning in Canada.



About the FP Canada Standards Council

A division of FP Canada, the FP Canada Standards Council (“the Standards Council”) establishes and enforces financial planning standards, sets the certification requirements for professional financial planners and develops and delivers certification exams. The Standards Council ensures FP Canada certificants—CERTIFIED FINANCIAL PLANNER® professionals and QUALIFIED ASSOCIATE FINANCIAL PLANNER™ professionals—meet appropriate standards of competence and professionalism through rigorous requirements of education, exam, experience and ethics.

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Tashia Batstone, MBA, FCPA, FCA, ICD.D
President & CEO,
FP Canada

Message from the President & CEO, FP Canada

At FP Canada, we know professional financial planning advice can help Canadians achieve financial well-being. Of course, before they seek help from planners, they need to know their planners will act in their best interest. That's why building a strong financial planning profession focused on consumer protection is critical. The FP Canada Standards Council is committed to the development of relevant standards designed to protect the public, as well as maintaining a robust enforcement regime to ensure the financial planners certified by FP Canada adhere to our standards.

The enactment of Ontario's Financial Professionals Title Protection Rule in 2022 was a positive development towards the strengthening of consumer protection in Ontario by ensuring only individuals with approved credentials from recognized credentialing bodies can use the titles "financial planner" and "financial advisor". To be approved under the legislation, credentialing bodies must have a robust enforcement regime, which is critical to protecting consumers. Saskatchewan and New Brunswick have also introduced legislation, and they are in the process of developing rules and regulations. Although important work remains to ensure the long-term efficacy of these frameworks, these changes are ushering in a new era of consumer protection.

As an approved credentialing body in Ontario, FP Canada is helping to ensure planners live up to the promise of title protection legislation. The Standards Council establishes and rigorously enforces professional standards for those certified by FP Canada, including a code of ethics that requires CFP® professionals and QAFP® professionals to put their clients' interests first.

The Standards Council is also helping to establish financial planning as a truly national profession. Doing so will ensure that steps taken to protect consumers are consistently applied across the country. One area of focus is inter-provincial collaboration. For example, we are reviewing opportunities to increase professional mobility between Québec and other provinces.

In addition, the Projection Assumption Guidelines (PAG), which aid planners in making long-term financial projections, are a joint initiative with Institut québécois de planification financière (IQPF). They are maintained and updated by the PAG Committee, which includes Pl. Fin. professionals as well as CFP professionals. Increased collaboration with IQPF is helping to unify the profession, leading to greater consistency in terms of professional standards, competency requirements and education requirements, which is in the best interests of both professional financial planners and the clients they serve.

These are just a few ways the Standards Council is helping to protect the interests of consumers. I look forward to seeing how these efforts—and any new opportunities the Standards Council strategically pursues—continue to shape financial planning in Canada.



Damienne Lebrun-Reid, LL.B
Vice President, Standards,
Certification and Enforcement

Message from the Vice President, Standards, Certification and Enforcement

Belonging to a profession and being a professional means you are an expert in your field, you are dedicated to continued learning and hold yourself accountable by engaging in ethical practice, demonstrating your ongoing commitment to competence and professional integrity. As a professional financial planner, you are uniquely qualified to help your clients, earn their trust and place their interests first.

As an individual who holds yourself to the high ethical standards expected by your clients and by the Canadian public, you have a professional obligation to be vigilant in identifying conflicts of interest and mitigating them with the client's best interests in mind. Failing to exercise this professional obligation and to identify and disclose conflicts of interest can undermine your clients' and the public's trust in you and in the financial planning profession. For this reason, conflicts of interest continue to be a key area of focus for the Standards Council, with special attention aimed at ensuring financial planners understand their obligations and have the tools they need to identify and disclose these conflicts.

A professional financial planner has the skills to understand, appreciate, and parse the intricacies of a client's unique situation—and navigate sensitive situations. That includes circumstances where a planner represents family members who may have competing interests in the future. Likewise, planners are capable of building trust early on, helping clients understand that their best interests always come first.

The Standards Council is dedicated to helping planners understand their responsibilities related to protecting client interests. One of the ways we have done that is through the introduction of our Terms of Engagement Tool. This useful tool aids planners in creating and updating engagement letters—and it supports them in disclosing potential and actual conflicts of interest.

In addition, we strive to provide continuing education opportunities for financial planners related to managing conflicts of interest. FP Canada's annual Financial Planning Conference offers one such opportunity. As an example, one of the ethics sessions at the 2022 conference focused on powers of attorney for property and familial relationships in the financial planning context. The content included important considerations around conflicts of interest, providing useful information for planners navigating these complex situations.

There are many benefits associated with being part of the financial planning profession, but it also comes with significant responsibilities. This past year, the Standards Council embraced opportunities to help financial planners better understand the issues surrounding conflicts of interest—and their ethical responsibilities in general.

I would like to thank all the staff members and volunteers who contributed to our efforts to ensure that financial planners meet our high standards of competence and professionalism.

The FP Canada Standards Council: Overview

The FP Canada Standards Council is a division of FP Canada. Its mandate is to set, maintain and enforce financial planning standards that protect the public interest, thereby fostering trust in professional financial planners.

The Standards Council also sets the certification requirements for CERTIFIED FINANCIAL PLANNER® professionals and QUALIFIED ASSOCIATE FINANCIAL PLANNER™ professionals and develops and delivers the certification exams for those credentials. It ensures that CFP® professionals and QAFP® professionals continue to meet the required standards of competence and professionalism through continuing education.

Independent Oversight

Three independent panels play a direct role in setting the standards of the profession and enforcing those standards: The panels' membership reflects a breadth of practice experience and gender diversity and has national scope.



IN THE PUBLIC INTEREST



SET

Guidance to the Profession

The Conduct Review Panel (CRP) publishes Practice Guidance from time to time to provide further guidance and commentary to the profession around issues that they see arising during their review of complaints. This Practice Guidance is published on [FP Canada's website](#) to support CFP professionals and QAFP professionals in meeting their professional obligations.

Setting Professional Standards

Individuals certified by FP Canada are required to adhere to rigorous standards that are set and enforced by the FP Canada Standards Council.

The FP Canada Standards Council Standards of Professional Responsibility (the Standards of Professional Responsibility) include four sets of standards:

Code of Ethics

- Embodies the standard of ethical conduct to which all FP Canada certificants must adhere

Rules of Conduct

- Provide specific guidance to FP Canada certificants on expected practice

Fitness Standards

- Detail the good character requirements for new and continued certification

Practice Standards

- Provide guidance on engaging in financial planning activities with clients

The Standards Panel oversees the standards of the profession, including the FP Canada *Standards Council Competency Profile* and the *Standards of Professional Responsibility*. The panel includes CFP professionals, two financial planners licensed in the province of Québec (Pl. Fin.), and a public member.

The Standards Panel also oversees the FP Canada Standards Council Projection Assumption Guidelines Committee, which maintains and annually updates the Projection Assumption Guidelines. Since 2015, FP Canada and the Institut québécois de planification financière (IQPF) have jointly released unified Projection Assumption Guidelines, which support professional financial planners in making long-term planning projections that are free from potential biases or predispositions and are based on evidence and research. FP Canada and IQPF publish updated Projection Assumption Guidelines annually in April.

The use of the Projection Assumption Guidelines, while not mandatory, is beneficial for both the financial planning professional and the client. Use of the guidelines for long-term projections provides a level of protection for financial planners as they provide rates of return that are transparent, objective and based on reliable sources. Regardless of the underlying data source, the financial planner should document the rates used and the rationale to ensure the assumptions are both sound and supported, and the assumptions used should be communicated to the client.

In early 2023, the Conduct Review Panel (CRP) published Practice [Guidance related to disclosure requirements](#) that identifies the two most common complaints that the CRP has recently considered relating to failure to disclose: conflicts of interest and compensation. The guidance also explains how FP Canada's Terms of Engagement tool can help CFP professionals and QAFP professionals create and update client engagement letters to meet their professional disclosure requirements.

Review of the *Standards of Professional Responsibility*

The Standards Panel is reviewing the *Standards of Professional Responsibility* to ensure currency with professional practice and client expectations. In support of this review, the Standards Council sought feedback and input from CFP professionals and QAFP professionals in May 2023 and further consultation is planned for late fall 2023. Any approved amendments following this review, will be published in the spring of 2024 and take effect in June 2024.

The Standards Council has seen a recent influx of cases that involve CFP professionals and QAFP professionals providing financial planning advice while concurrently acting as a power of attorney for property (POA), estate executor or trustee; or being designated as a beneficiary by their client. There is an inherent conflict of interest that arises from taking on these roles while concurrently acting as the client's financial planner and/or providing advice. The Standards Panel is considering how best to address this influx of financial planning advice including potential amendments to the Rules of Conduct.

In addition, the Standards Council is mindful that financial advisors and planners are now subject to the measures implemented by Canadian securities regulators which aim to enhance protection of older and vulnerable clients. Under the amendments, which took effect in December 2021, financial advisors and planners are required to take reasonable steps to determine if a client would like to name a Trusted Contact Person (TCP) when opening an account and when updating client information. The Standards Panel is considering implementing a new Rule of Conduct to reflect these obligations.

Updated Disciplinary Rules and Procedures Support Transparency

As part of the Standards Council's regular review of enforcement policies and procedures to ensure they reflect current best practices and support transparency and procedural fairness, the Standards Council is engaged in a review of the Disciplinary Rules and Procedures (DRP) and Disciplinary Rules and Procedures for Examination Misconduct (DPEM).

Competency Profile Validation Project

In 2022 the Standards Council continued its work related to the 2021 review and validation of the *FP Canada Standards Council Competency Profile*, which details the job-related skills, knowledge, attitudes and judgments required for competent performance by professional financial planners. The review and revalidation process occurs approximately every five years to ensure the Competency Profile continues to be relevant to the financial planning profession, representative of the competencies and skills that Canadians require and is an accurate reflection of the demands related to the practice of financial planning.

A significant outcome of the process was the development of two competency profiles: the *FP Canada Standards Council Competency Profile for CFP® Certification* and the *FP Canada Standards Council Competency Profile for QAFP® Certification*. This change reflects the fact that the two certifications are distinct and the job-related skills, tasks and core competencies reflect different levels of complexity and integration of professional financial planning practice.



Within the Competency Profiles, a further important change from the validation process was the re-development of the Professional Skills section. A new set of skills entitled Professional Conduct was added to emphasize the importance of ethical behaviour and compliance with professional practice guidelines for financial planners in Canada. Competency statements related to Professional Skills were also added in the Critical Thinking and Interpersonal Skills sections.

While the two Competency Profiles share the same set of competencies, the Standards Council decided to develop distinct competency descriptions reflecting the different expectations for the application of the competencies between CFP professionals and QAFP professionals. Practicing financial planning professionals provided input and reviews on these descriptions, and a thorough vetting process took place to ensure that they reflect the expectations of both CFP professionals and QAFP professionals.

The Standards Panel approved the new FP Canada *Standards Council Competency Profile for QAFP Certification* and the validated FP Canada *Standards Council Competency Profile for CFP Certification* in early 2023 and they have since been published on the [FP Canada website](#). The competency profiles will be first assessed with the May/June 2024 exam administrations.



Financial Planning Standards Board (FPSB) – Alignment with Global Standards for Financial Planning

The Financial Planning Standards Board (FPSB) is the global body that establishes the level of practice expected of financial planning professionals. FPSB develops standards through a global consultative process, capturing input from member bodies, including FP Canada. Consistently applied global standards improve the quality of financial planning, benefit consumers and financial planners, and serve as a foundation for trust and confidence in the profession. Once established by the FPSB, the global standards are localized and adopted in member territories around the world by local financial planning certification bodies like FP Canada.

FPSB, like the Standards Council, regularly reviews its standards. In 2022, FPSB undertook a review of its Global Financial Planning Standards, which are adapted to reflect local practice in each territory. FPSB engaged FP Canada staff early in their own development process for input and feedback of the competency statements and structure outlined in the Global Financial Planning Standards. FP Canada and Standards Council staff were pleased to participate and give input throughout FPSB's process. FPSB published its updated Global Financial Planning Standards in early 2023.

Since the release of updated global standards, the Standards Panel reviewed the FP Canada *Standards Council Competency Profile for CFP Certification* and *Standards of Professional Responsibility* and carefully considered whether any of the new standards or requirements implemented by FPSB impact the standards set and enforced by the Standards Council.

This review is ongoing, however, the Standards Panel is pleased to see that the comparative review indicates that the standards of the profession in Canada are inclusive of the global standards. It is also notable that, in key areas, the Competency Profile goes beyond the global expectations, which is not surprising as it is localized for the Canadian market rather than a global perspective.

Setting Certification Requirements

The Standards Council oversees the certification requirements for CFP professionals and QUALIFIED ASSOCIATE FINANCIAL PLANNER professionals, which is an intrinsic component of establishing and maintaining professional standards. It develops and delivers certification exams.

Exam Panels

The Standards Council has two independent Exam Panels, the CFP Exam Panel and the QAFP Exam Panel. The Exam Panels are composed of CFP professionals from across Canada and financial services who have expertise in all areas of financial planning and represent all types of financial planning practice.

The Exam Panels' purpose is to ensure the following:

- The certification exams sufficiently and appropriately assess the competence of candidates for certification by demonstrating the necessary knowledge, skills and abilities; and
- Individuals who are qualified receive a passing score and individuals who are not qualified receive a failing score.

Exam Panels review exam content prior to each exam administration to ensure alignment to the FP Canada *Standards Council Competency Profile* and related Exam Blueprints. Each Exam Panel reviews the final results of their respective exam, ultimately approving the final pass mark for the exam. The Standards Council continued to engage exam development volunteers in high numbers through 2022 in various exam development activities including mock exam writing and creating new exam cases and questions.



Volunteers

The Standards Council is able to meet its goals with the inspiring support of new and experienced volunteers. Volunteers are an integral part of the formal Panels and Committees within the Standards Council but are also invaluable for other activities. The Standards Council regularly recruits and engages volunteers for exam development activities throughout the year including completing a draft version of the exam for their feedback and input, creating new exam content in item writing workshops and scoring the constructed-response portion of the CFP exam. In 2022 the Standards Council engaged more than 175 volunteers.

Thank you to all our volunteers!

“ I think FP Canada does a great job. I feel privileged to be part of this organization.”

- QAFP Exam Panel volunteer

Exams in 2022

Through our continued partnership with Meazure Learning and their ProctorU division, FP Canada continued to offer increased flexibility for exam candidates by providing the choice between writing in person or online through remote proctoring. FP Canada also added an exam window to our offerings, providing—for the first time—an exam early in the calendar year in February 2022. As challenges related to changing rules and provincial mandates and closures related to the pandemic reduced, the Standards Council committed to continuing to provide the flexibility needed to enable candidates to proceed with writing their exams in an environment that best meets their needs. Online proctoring continued to be a popular option for candidates, but as the year progressed and more facilities in FP Canada's test centre network became available, in-person testing increased in popularity.

The tables below show the total candidate counts by delivery mode for each administration:



CFP Exam

Administration	In-Person	Online Proctoring	Total Candidates
February 2022	142	370	512
June 2022	309	295	604
October 2022	342	165	507
Total	793	830	1623

QAFP Exam

Administration	In-Person	Online Proctoring	Total Candidates
February 2022	74	310	384
May 2022	68	118	186
October 2022	35	34	69
Total	177	462	639

Through each of the exam administrations, FP Canada continued to apply a candidate-centric approach by providing extensive communications, responding to inquiries, and adapting to changing situations in a timely, fair and transparent manner, all of which resulted in successful administrations.

“ All in all, I thought the test was well organized and asked professional relevant questions. I thought the case studies were well written and there was little ambiguity.”

- 2022 CFP exam candidate



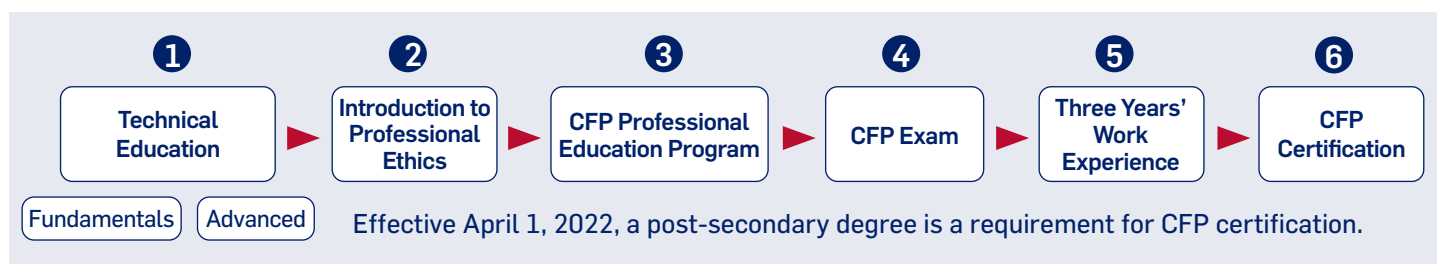
CERTIFIED FINANCIAL PLANNER Certification

CFP certification is the most widely recognized financial planning designation in Canada and throughout the world and is considered the gold standard for the profession. CFP professionals have demonstrated the knowledge, skills, experience and ethics to provide holistic financial planning strategies and solutions at the highest level of complexity required of the profession, and work with their clients to build a financial plan so that they can Live Life Confidently™.

To obtain CFP certification, candidates must complete a rigorous education program, pass a national exam, have a post secondary degree and demonstrate three years of qualifying work experience.

FP Canada offers alternate paths to CFP certification to candidates with the following credentials:

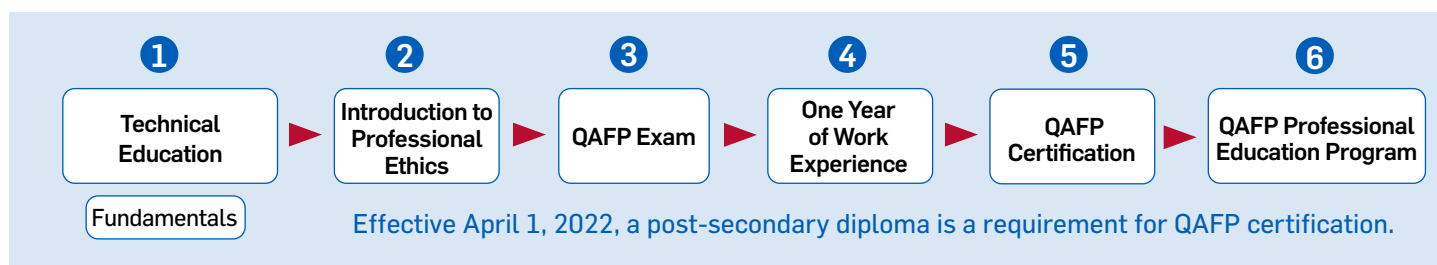
- Relevant Professional Qualifications
- Pl. Fin • Foreign CFP Professionals



QUALIFIED ASSOCIATE FINANCIAL PLANNER Certification

Under the new path to certification, which takes effect beginning with the QAFP exam in May/June 2024, technical education requirements have been refined to better align with the needs of clients who are in the process of building their financial well-being, and the QAFP Professional Education Program has been revitalized to have a greater focus on discovery, plan preparation, and presentation. Those seeking QAFP certification will be required to complete the QAFP Professional Education Program prior to challenging their QAFP exam. To obtain QAFP certification, candidates must complete a comprehensive education program, pass a national exam, have a post-secondary diploma and demonstrate one year of qualifying work experience.

FP Canada offers an alternate path to QAFP certification to candidates with relevant professional qualifications.



QAFP certification demonstrates a financial planner's competence and commitment to high ethical standards including putting their clients' interests first. QAFP certification demonstrates professionals have the ability to offer holistic financial advice for today's speed of life. QAFP professionals have proven they have the knowledge, skills, experience and ethics to provide financial planning strategies and solutions for clients who are in the process of building their financial well-being.

In April 2023, FP Canada launched the reimagined QUALIFIED ASSOCIATE FINANCIAL PLANNER certification. Updates focus on making the path to becoming certified more streamlined, accessible, holistic and better-aligned with the specific knowledge and competency expectations for practicing QAFP professionals.



MAINTAIN

Maintaining Professional Standards Continuing Education (CE) Requirements

By setting standards that relate to CE, the Standards Council ensures CFP professionals and QAFP professionals continue to meet the required standards of competence and professionalism.

FP Canada's CE requirements are designed to support CFP professionals' and QAFP professionals' ongoing professional development to meet a wide range of client needs. CE requirements include the following five categories:

- Financial Planning
- Professional Responsibility
- Practice Management
- Product Knowledge
- Giving Back

To ensure their knowledge and competence remain current, financial planners certified by FP Canada must meet the following annual CE requirements to maintain certification:

Breakdown by category	 CFP Professionals			 QAFP Professionals		
	25			12		
	Minimum Annual Credits	Maximum Annual Credits	Carry-Over Permitted to Next Calendar Year	Minimum Annual Credits	Maximum Annual Credits	Carry-Over Permitted to Next Calendar Year
Financial Planning	10	Unlimited	25	7	Unlimited	12
Professional Responsibility	2	Unlimited	No*	1	Unlimited	No*
Practice Management	No minimum	5	No	No minimum	5 combined for two categories	No
Product Knowledge	No minimum	5	No	No minimum	unlimited	No
Giving Back	No minimum	5	No	No minimum		No

* Additional credits in the Professional Responsibility category may be applied under the Financial Planning category

The Professional Responsibility requirement enhances understanding of professional and ethical duties and suggests ways to identify and address common ethical dilemmas and challenges.

FP Canada develops and directly delivers CE in the category of Professional Responsibility, including annual ethics sessions delivered each November at FP Canada's Financial Planning Conference. Topics in the past have addressed: powers of attorney for property; dealing with clients with dementia; dealing with clients with mental health challenges; conflicts of interest, including in joint engagements; and what to do when clients make bad decisions.

For the November 2023 Financial Planning Conference, ethics sessions will focus on: identifying and managing actual and potential conflicts of interest; understanding the impact of personal conduct on professional integrity; and strategies to engage clients and facilitate open, honest communication and a meaningful discovery process.

The FP Canada Institute™ offers six online self-study courses that each offer two credits in the Professional Responsibility category and up to an additional three credits in the Financial Planning category.

FP Canada CE Audits

CFP professionals and QAFP professionals are subject to random audits to ensure compliance with CE requirements. Those who do not meet these requirements may be denied renewal of their certification, pending proof that they have completed any CE credits that are outstanding. Additionally, all CFP professionals and QAFP professionals who indicate on their renewal application that they have not met their CE requirements in the previous year and those who incorrectly indicated that they were not yet required to earn CE in the previous year, are automatically audited during the renewal period.

FP Canada is a Third-Party Accreditor for MFDA CE Credits

As an approved third-party accreditor, FP Canada is recognized by the MFDA as a body qualified to perform assessments of CE activity aligned with standards established by the MFDA.

Given that more than 40% of the financial planners certified by FP Canada are also MFDA licensed, having programs accredited to meet both FP Canada CE requirements and MFDA CE requirements is beneficial for both CE providers and CFP professionals/QAFP professionals.

FP Canada Standards Council Dialogue

In April 2022, the Standards Council held an inaugural Dialogue event, virtually, for industry stakeholders, including contacts in their compliance departments. The invitation-only event featured Mark White, CEO of the Financial Services Regulatory Authority of Ontario (FSRA) who provided an update on title protection legislation implementation in Ontario. The event also included a presentation from Damienne Lebrun-Reid, Vice President, Standards, Certification and Enforcement, and Tamara Center, Director, Professional Conduct and Enforcement of the FP Canada Standards Council, who provided an update with respect to trends and activity in the Standards Council. Twenty-eight individuals attended, representing 14 different firms across Canada.





Enforcing Professional Standards

The Standards Council works to ensure that the public interest is protected and all CFP professionals and QAFP professionals meet or exceed the rigorous standards expected of them. Ensuring adherence to these standards protects both the Canadian public and the reputation of the financial planning profession.

Six Guiding Principles inform every aspect of the complaint, review and enforcement process:

1. Fairness	4. Transparency
2. Effectiveness	5. Consistency
3. Objectivity	6. Timeliness

Policies and procedures relevant to the Standards Council’s complaint, review and discipline process are published and accessible to CFP professionals and QAFP professionals and members of the public on FP Canada’s website. The Standards Council is committed to a process that is transparent and reflects fairness to the certificant whose conduct comes under review.

Enforcement by the Numbers

84 Complaints Received

- 28 Public Complaints
- 44 Complaints Initiated by the Standards Council
- 12 Presumptive Bar / Fitness for Certification

20 Complaints Referred to Conduct Review Panel

11 Complaints Referred to Discipline Hearing Panel

16 Discipline Hearings Held

1 Intake and Initial Review

The Standards Council addresses complaints from the public and also initiates complaints. Complaints initiated by the Standards Council may originate from self-reports from CFP professionals or QAFP professionals, regulatory notices, agreements with regulatory bodies and media releases.

A presumptive bar to continued certification may come to the attention of FP Canada as a result of a self report by a CFP professional or QAFP professional (in accordance with the professional obligations to report) or by the Standards Council identifying a triggering circumstance. FP Canada proactively monitors a number of regulatory feeds.

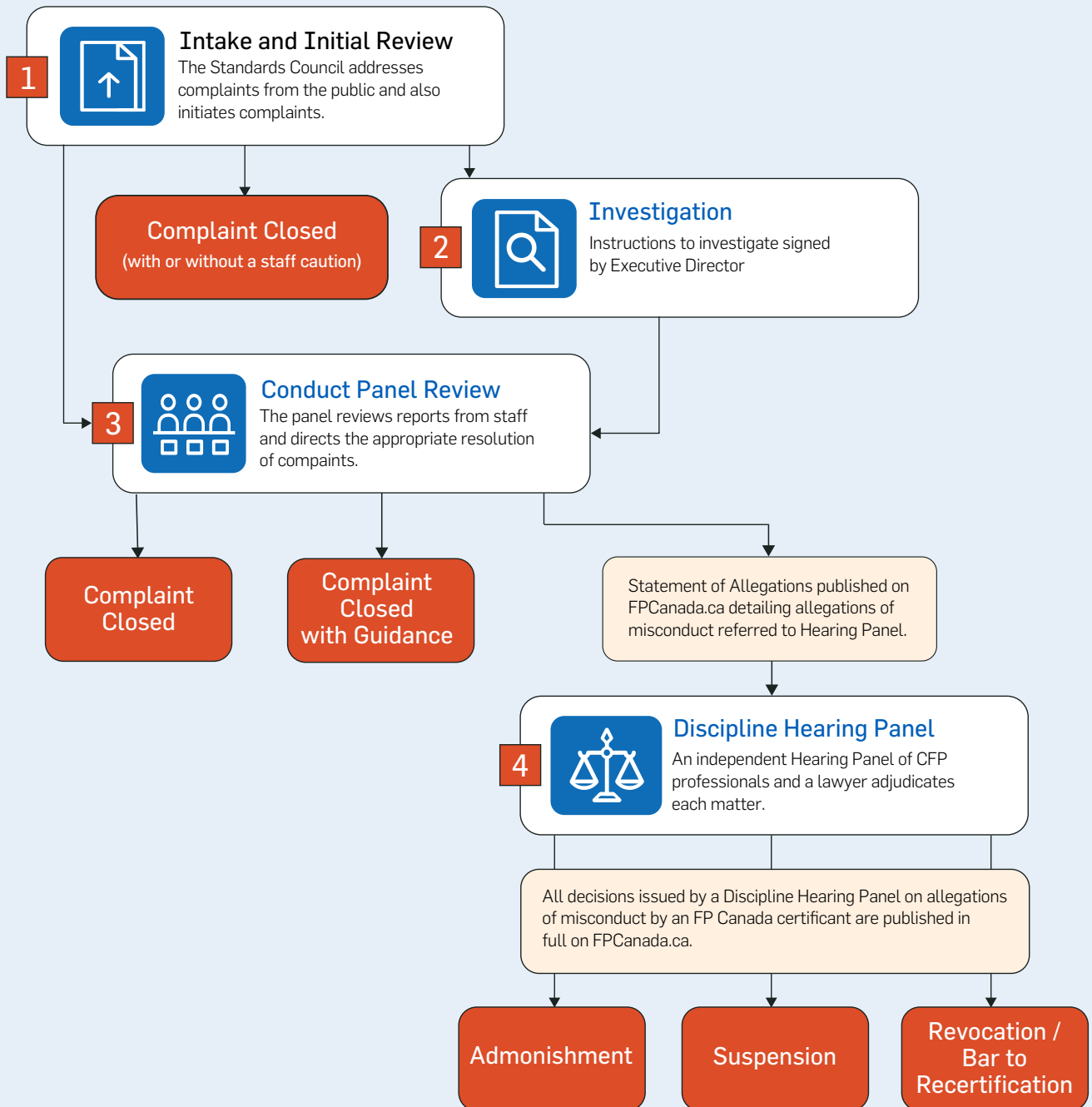
All complaints are subject to an initial assessment to determine if the complaint raises allegations that, if shown to be true, may demonstrate a potential violation of the *Standards of Professional Responsibility*.



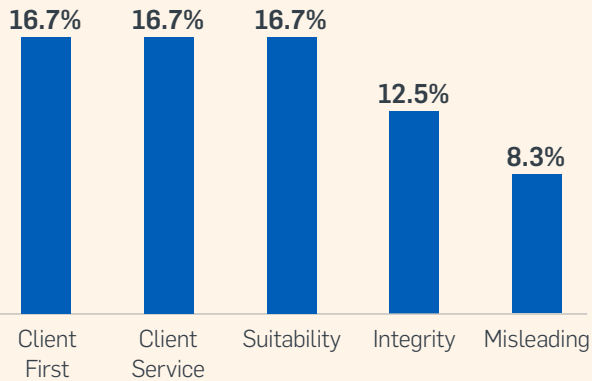
Enforcement Process

The enforcement process encompasses four functions:

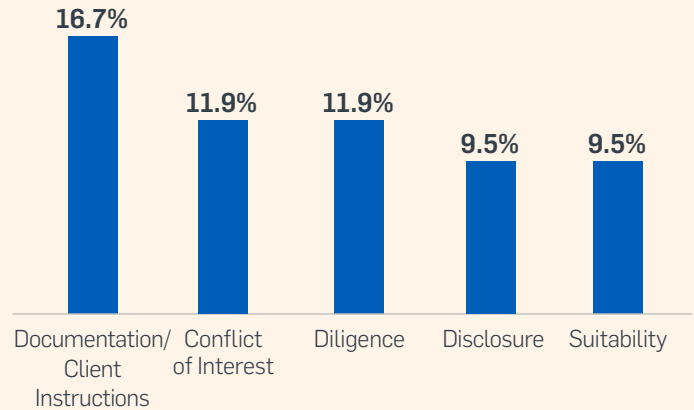
- 1 Intake and Initial Review
- 2 Investigation
- 3 Conduct Panel Review
- 4 Discipline Hearing Panel



Top Five Public Complaint Allegations in 2022



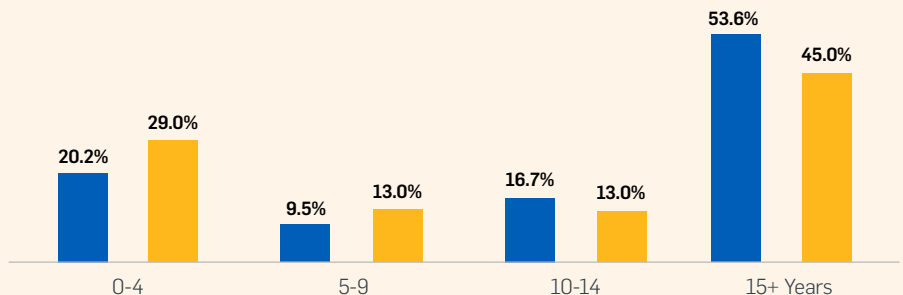
Top Five Complaint Allegations Initiated by the Standards Council in 2022



The profile of the complaints received by the Standards Council in 2022 was proportionate to the profile of the profession generally when looking at length of certification and geographic region.

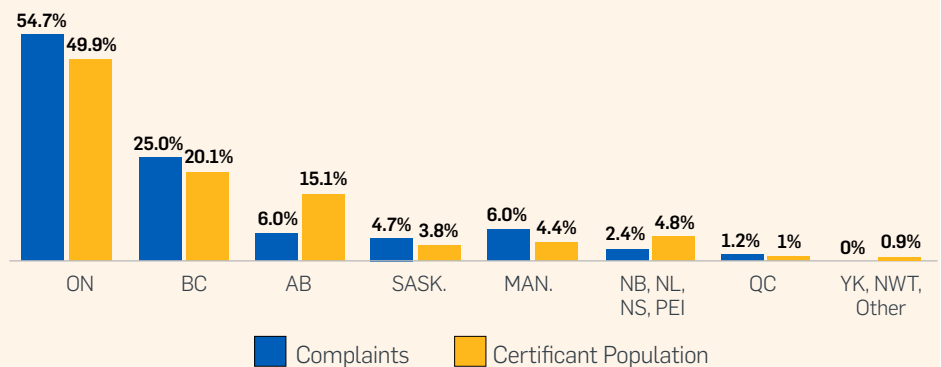
Subject of Complaint: Years Certified

Complaints Received January 1-December 31 2022



Subject of Complaint: Geographic Region

Complaints Received January 1-December 31 2022



Supporting Complainants and other FSRA-Approved Credentialing Bodies

FP Canada is approved by FSRA as a credentialing body to grant and oversee Financial Planner title use under the Financial Professionals Title Protection Act, 2019. CFP certification and QAFP certification have both been approved by FSRA for use of the Financial Planner title in Ontario. The Financial Professionals Title Protection Act, 2019, which was proclaimed into force on March 28, 2022, creates minimum standards for individuals using the Financial Planner and Financial Advisor titles.

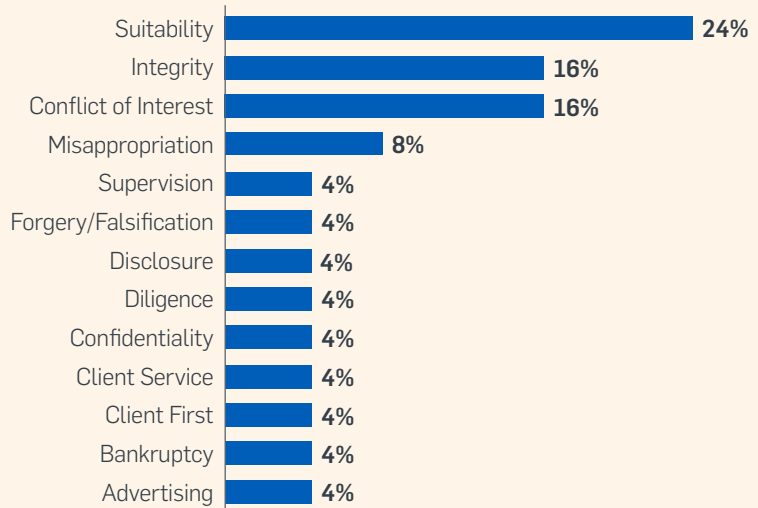
To support complainants, where FP Canada is aware that a CFP professional or QAFP professional also holds another approved credential under the framework, FP Canada notifies the complainant that the financial planner is a member of that credentialing body.

2 Investigation



Following the initial review process, the Executive Director determines if there are sufficient grounds to commence an investigation. If an investigation is initiated, investigators then gather information, including through interviews with witnesses. The CFP professional or QAFP professional who is the subject of the complaint is notified and invited to respond to the complaint.

Investigations Instructed in 2022: Allegations



Interim Suspensions

In exceptional circumstances, the Standards Council staff can obtain interim suspensions at the investigation stage to protect the public. In these cases, the CFP professional or QAFP professional's record on the Find Your Planner Tool on the FP Canada website is updated to reflect the interim suspension.

In February 2022, the Policy on the Disclosure of Investigations and Interim Suspensions, set out at Appendix A to the Disciplinary Rules and Procedures, was amended. As a result of the amendments, approval for the disclosure of an investigation and/or an interim suspension of a CFP professional or QAFP professional's certification is now authorized by a Hearing Panel following a motion by the Standards Council.

(previously authorization was granted by the Board of Directors of FP Canada). The first motion brought by staff pursuant to the amended Policy was in respect of Mr. Sanjiv Katyal. The Standards Council became aware, by way of a News Release, that another securities regulator commenced a quasi-criminal action, involving allegations of fraud, against Mr. Katyal. Due to the serious nature of Mr. Katyal's alleged conduct and the publicity surrounding the matter, the Standards Council sought and received approval from a Hearing Panel to publicize its *investigation and for an interim suspension* of Mr. Katyal's CFP certification pending the outcome of the Standards Council's investigation and any discipline proceedings arising therefrom.

Duty to Cooperate

If a CFP professional or QAFP professional fails to respond to the Standards Council's communications or to cooperate with an investigation, the Executive Director may refer the matter directly to a Hearing Panel on the allegation that the individual failed to cooperate. A Hearing Panel finding that the CFP professional or QAFP professional failed to cooperate may ultimately result in the revocation of their certification. In 2022, two individuals certified by FP Canada were found to have failed to cooperate. The Hearing Panel provided each individual a further opportunity to cooperate; however they both failed to do so, and as such, they were both permanently prohibited from renewing or reinstating their CFP certification.

3 Conduct Review Panel

The Conduct Review Panel (CRP), an independent panel composed of CFP professionals, one Pl. Fin., and at least one public member, reviews staff reports and directs the appropriate settlement of complaints in the public interest.

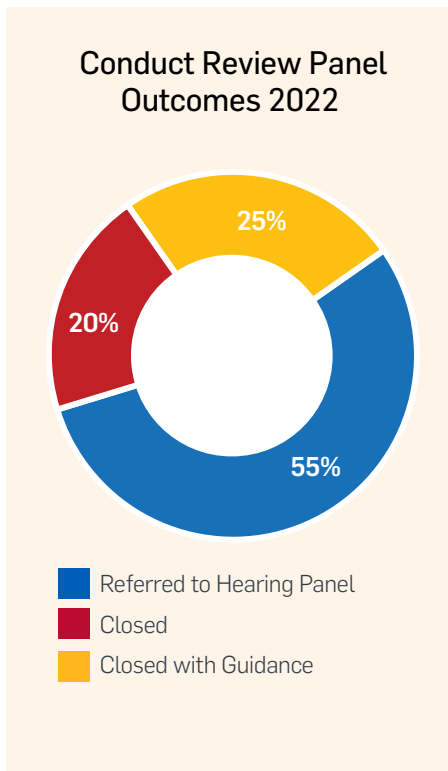
The Conduct Review Panel can:

1. Dismiss the matter;
2. Dismiss the matter with a letter of Guidance and Advice; or
3. Refer the matter to a Disciplinary Hearing Panel.

In 2022, Guidance and Advice was issued in the following areas:

- Failure to be fair and open in all professional relationships;
- Intervening in client matters outside the scope of the engagement;
- Failure to maintain confidentiality of all client information;
- Failure to properly disclose conflicts of interest or potential conflicts of interest;
- Failure to act diligently when providing advice and/or services to clients;
- Failure to remain fair and open in communication to clients; and
- Failure to receive written informed consent to continue to act for a client with which there was a conflict of interest.

The Standards Council posts anonymized guidance letters on its website to remind certificants and to inform the public about the expected level of professional conduct.



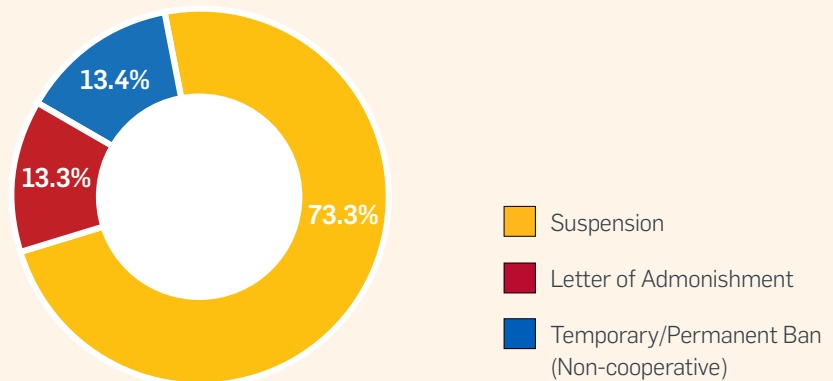
4 Disciplinary Hearings

The Discipline Hearing Panel Roster is composed of CFP professionals and lawyers with diverse experience in compliance and professional discipline. Members come from across the country.

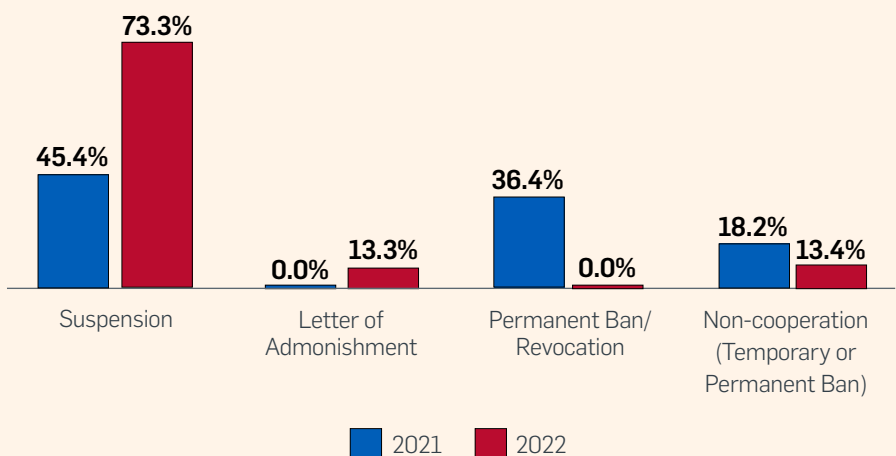
CFP professionals or QAFP professionals subject to a hearing are invited to participate in the hearing process. They may challenge the allegations before the Hearing Panel and submit written and/or oral evidence either directly or with the assistance of counsel. Where there is a finding of misconduct, discipline sanctions range from a letter of reprimand to suspension or revocation of future certification or a bar to future certification.



Hearing Panel Outcomes 2022



Comparison of Hearing Panel Penalty Outcomes Released in 2021 and 2022



Key Discipline Hearing Panel Decisions Released in 2022

Conduct That Resulted in a Letter of Admonishment:

- Sharing CFP Professional Education Program assignments and the final assessment with a colleague
- Being named the executor and estate trustee for a client while acting as their financial planner, without disclosing, in writing, the conflict of interest created by virtue of these relationships.¹

Conduct That Resulted in Suspension of Certification:

- Relying on a third party to make recommendations and provide financial planning services to clients; processing investment instructions without obtaining the client's direct authorization; and signing as a witness to a signature which the individual did not actually witness
- Plagiarizing from assignments and the final assessment for the CFP Professional Education Program from a colleague
- Engaging in personal financial dealings with clients by paying or loaning money to clients and being indebted to a client
- Processing transactions to ensure that the transactions counted toward sales targets; failing to disclose the conflict of interest this created to clients; failing to obtain written consent to continue acting on their behalf; and failing to disclose to FP Canada that they were the subject of an investigation by another regulator
- Processing transactions after the death of a client without authorization of an estate administrator or other authorization
- Acting as the financial planner for their then common-law spouse, parents-in-law, sister-in-law and brother-in-law, without disclosing the conflict of interest created by virtue of their relationships and, in some instances, joint financial holdings
- Associating with individuals who were found to have made misrepresentations to investors
- Changing client telephone numbers in their employer's database to gain a competitive advantage before moving to another employer; using personal or confidential client information obtained from the former employer without the written consent of the clients after moving to the new employer; and providing misleading information to FP Canada



Conduct That Resulted in a Prohibition on Certification or Renewal:

- Failing to cooperate with a disciplinary order requiring a complete and substantive response to the Standards Council's communications within 30 days

Continuing Education (CE) and Remedial Orders:

In many instances, Hearing Panels included a requirement in their Discipline Orders that the CFP professional or QAFP professional take additional CE courses. The courses range from professionalism/ethics courses offered by the FP Canada Institute, to financial planning and practice management programs. In one instance, the Hearing Panel ordered that an individual certified by FP Canada complete, at their own expense, two FP Canada Institute courses relating to conflicts of interest. In another instance, an individual was required to complete, at their own expense, an FP Canada Institute course focused on ethical obligations during discovery. These opportunities are designed to support remediation and reduce repeated misconduct through education.

Selected Case Highlights

The Hearing Panels considered various types of alleged professional misconduct in 2022. Note, some cases involve several different allegations of misconduct.

Conflicts of Interest

In 2022, the Hearing Panel considered several cases which involved the failure to disclose potential or actual conflicts of interest, in writing, in accordance with the requirements set out in [Rule 8](#) of the *Standards of Professional Responsibility*.

In one case, an individual admitted, and the Hearing Panel found, that he acted as a financial planner and was named the executor and estate trustee for his client, without disclosing, in writing, the conflict of interest created by virtue of these relationships. The individual was no longer certified at the time of the hearing and agreed never to apply for reinstatement of his certification. In a Joint Settlement Agreement with the Standards Council, the individual agreed, and the Hearing Panel ordered, that he receive a Letter of Admonishment.

In another case, a financial planner certified by FP Canada acted as the financial planner for his then common-law spouse, her parents, sister and brother-in-law, without disclosing, in writing, the conflict of interest created by virtue of their relationships and, in some instances, joint financial holdings. In a Joint Settlement Agreement with the Standards Council, the individual agreed, and the Hearing Panel ordered that his certification be suspended for a period of four months, that he complete additional CE credits and pay costs.

Finally, amongst other things, a financial planner certified by FP Canada processed 18 transactions in respect of 18 clients as redemptions and purchases, rather than switches, to ensure that these transactions counted towards his sales targets. The individual failed to disclose the conflict of interest to his clients, in writing, arising from these transactions which were carried out in his own self-interest, and failed to obtain their written consent to continue acting on their behalf. In a Joint Settlement Agreement with the Standards Council, the individual agreed, and the Hearing Panel ordered, that his certification be suspended for a period of eight months, that he complete additional CE credits and pay costs.



Being found by an FP Canada-Approved education provider or the FP Canada Institute to have breached their code of ethics, code of conduct or Student Handbook, and/or to have engaged in academic misconduct is a presumptive bar to new, continued or reinstated certification.

Academic Misconduct

In 2022, the Hearing Panel considered two related cases which involved academic misconduct. These cases demonstrate the seriousness with which the Hearing Panel considers this type of misconduct.

Two colleagues who were QAFP professionals at the time, took the CFP Professional Education Program delivered by the FP Canada Institute. The Institute determined that they both engaged in academic misconduct in that one individual shared assignments and the final assessment with the other, who then plagiarized from those assignments and assessment. The finding of academic misconduct by the Institute triggered a presumptive bar to their continued certification with FP Canada. Both individuals entered into a Joint Settlement Agreement with the Standards Council, and they both received a Letter of Reprimand, were ordered to complete additional CE credits and pay costs. In addition, the Hearing Panel ordered that the individual who plagiarized be suspended for a period of three months and be prohibited from challenging the following CFP exam.

Failing to Confirm Client Instructions

Another type of misconduct that the Hearing Panel considered in several cases involved failing confirm instructions directly with clients. It is important to ensure that instructions and authorizations are obtained directly from each client, even where, for example, the clients are spouses.

In one case, a financial planner certified by FP Canada failed to meet with four of his clients directly, and relied on his childhood friend and co-worker to provide financial planning-related services and make recommendations to these clients. The individual also signed and submitted account forms and Know-Your-Client documentation for a client without confirming the updated information or obtaining the client's direct authorization and instructions. In addition, he signed as witness on a Limited Trade Authorization form for his client when he did not, in fact, witness the client execute the document. In a Joint Settlement Agreement with the Standards Council, the individual agreed, and the Hearing Panel ordered, that he be suspended for a period of eight months and that he complete additional CE credits and pay costs.



In a matter involving another financial planner certified by FP Canada, after being advised that his client passed away, the individual nonetheless processed two investment fund transactions, without authorization of an estate administrator or other authorization. In a Joint Settlement Agreement with the Standards Council, the individual agreed, and the Hearing Panel ordered, that his certification be suspended for a period of six months, and that he complete additional CE credits and pay costs.

Finally, another financial planner certified by FP Canada obtained instructions and information from one client and failed to obtain instructions directly from her spouse, who was also a client. In addition, the certified individual obtained copies of two clients' signatures for the purposes of copying their signatures onto applications and forged the clients' signatures on their life insurance applications without their authorization or knowledge. In a Joint Settlement Agreement with the Standards Council, the individual agreed, and the Hearing Panel ordered that (as he was not certified at the time of the hearing), he be banned from seeking renewal or reinstatement of any certification with FP Canada for a period of six months, and that he complete additional CE credits and pay costs

* *The above-noted cases from 2022, as well as all of the other cases decided by the Hearing Panel, can be found using the [Case Search Tool](#) under the Heading "Completed Hearings". Cases can be searched by year, conduct type, keyword(s) or open text.*



Enforcement of Trademark Use

FP Canada believes that everyone who promotes themselves to the public as a financial planner should be required to meet strict competency and ethical standards.

“CFP” and “Certified Financial Planner” are trademarks owned by Financial Planning Standards Board Ltd. and used under license. “QAFP” and “Qualified Associate Financial Planner” are certification marks of FP Canada. Only those individuals in Canada who are certified by FP Canada and in good standing are permitted to use the certification marks or hold themselves out as CFP professionals or QAFP professionals.

In order to ensure public protection and the integrity of the profession, after each renewal cycle, FP Canada staff conduct a comprehensive review of those who did not renew their certification to identify any individuals still holding themselves out as CFP professionals or QAFP professionals in good standing. By doing so, FP Canada ensures that only those who have demonstrated compliance with the certification requirements are representing themselves to the public as CFP professionals or QAFP professionals.

In 2022, the Standards Council took action in regard to 353 trademark violations, of which 338 were resolved in fiscal 2022/23. As of March 2023, only 15 matters remained unresolved. Of the 353 violations, 207 involved former CFP professionals, 64 involved former QAFP professionals who did not renew their certification for fiscal 2022/23 and failed to remove the trademarks from their websites, social media sites or otherwise, thereby misleading the public regarding their certification status.

Tools and Resources

The Terms of Engagement Tool

In March 2022, FP Canada launched a comprehensive online Terms of Engagement Tool to support CFP professionals and QAFP professionals when developing or updating client engagement letters. The tool, available through the [FP Canada portal](#), supports CFP professionals and QAFP professionals in ensuring client engagements are appropriately and consistently documented and helps them meet their professional obligations relating to disclosure in the *Standards of Professional Responsibility*.

The tool contains a wide range of sample clauses and all clauses are available in both French and English. Those who access the tool can build, download and easily customize their client engagement letters.

Since the launch of the Terms of Engagement tool in March 2022, approximately 1,200 CFP professionals and 75 QAFP professionals have accessed the tool and over 900 terms of engagement documents have been created using the tool.

After utilizing the tool, CFP professionals and QAFP professionals were asked to share their thoughts and here is a sample of their comments :

- "This is a great tool and saved me lots of time. I'm also very pleased that the reports comes in word so that I can make further edits to customize it!"
- "This is great to use after learning about the amended professional standards. It made it easier and faster to implement changes."
- "I am very happy... Very useable and useful."

Online Search Tools

In 2022, engagement continued to be high with the following two online tools which FP Canada launched in 2021, with a view of increasing access and promoting transparency for CFP professionals, QAFP professionals, stakeholders and the public:

- The [Guidance and Advice Search Tool](#) allows users to search the Guidance and Advice given by the CRP by year, keyword(s) or open text.
- The [Case Search Tool](#) allows users to search cases by year, conduct type, keyword(s) or open text.

Enforcement Proceedings Email Notification

In the spring of 2022, FP Canada launched a subscription function that allows members of the public, CFP professionals, QAFP professionals, other regulatory bodies, firms and other credentialing bodies, to subscribe to email notifications when the Standards Council publishes a Statement of Allegations or a Decision of the Disciplinary Hearing Panel. [Sign up to receive email notifications here.](#)



Panel Members

As of March 2023, the Standards Council Panels are composed of the following members:

Standards Panel

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Montreal, QC

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Johnathan Graves, CFP®
Halifax, NS

Lisa Henriques, CFP®
Burlington, ON

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Public Member
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QAFP Exam Panel

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Jenny Cho, CFP®
Toronto, ON

Lisa Bellman, CFP®
Winnipeg, MB

MaryAnn Kokan-Nyhof, CFP®
Winnipeg, MB

F. Darlene Robert, CFP®
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CFP Exam Panel

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Robert An, CFP®
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Gisele Gherasim, CFP®
Regina, SK

Timothy Kileel, CFP®
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Paul Thorne, CFP®
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Ian Wood, CFP®
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Panel Members

Conduct Review Panel

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Dieppe, NB

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Albert Pelletier, LL.B.
Toronto, ON

Jonah Rabinovitch, CFP®, LL.B.
Ottawa, ON

The Standards Council would like to thank: Jason Hunt, CFP®, who served on the QAFP Exam Panel from May 2021 to December 2022; Joshua Brown, CFP®, who served on the QAFP Exam Panel from December 2017 to December 2022; Margie Parikh, CFP®, who served on the QAFP Exam Panel from December 2017 to October 2022; and Shannon Tatlock, CFP®, who served on the CFP Exam Panel from May to September 2022.

Commitment to Accessibility

FP Canada is committed to ensuring equal access and participation for people with disabilities. We are committed to treating people with disabilities in a way that allows them to maintain their dignity and independence. We believe in integration and we are committed to meeting the needs of people with disabilities in a timely manner. We will do so by removing and preventing barriers to accessibility and meeting our accessibility requirements under the Accessibility for Ontarians with Disabilities Act, 2005, and Ontario's accessibility laws.

Commitment to Diversity, Equity and Inclusion

FP Canada believes in the value that comes from different perspectives and experiences. We are committed to pursuing diversity, equity and inclusion within the organization and across the broader financial planning profession. We monitor regularly and report annually on our progress in these areas.

- **Governance:** FP Canada is committed to maintaining a Board of Directors and Executive Leadership Team with a diverse mix of experience, skills and backgrounds, with at least 50 per cent of individuals identifying as a member of a designated group (as outlined in the Canada Business Corporations Act) including women, Indigenous peoples, persons with disabilities and members of visible minorities.
 - **Organization:** FP Canada is committed to maintaining a diverse staff and volunteer base reflective of Canada's population, and to ensuring an inclusive and equitable working environment in which all voices feel heard.
 - **Financial Planning Profession:** IMAGINE 2030 is FP Canada's vision for the future, in which all Canadians have access to professional financial planning that supports their diverse needs. As part of this vision, FP Canada is committed to working with partners across the financial planning profession to improve diversity, equity and inclusion in the profession, for the benefit of all Canadians.
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Commitment to Impartiality

FP Canada's Executive Leadership Team is committed to ensuring impartiality and objectivity in all our activities, including certification and education. FP Canada undertakes to act impartially in relation to its students, candidates, certificants and all other stakeholders, and all of FP Canada's policies and procedures are designed to be fair and consistent. FP Canada identifies and assesses risks that may result in a conflict of interest or pose a threat to impartiality.

Further, FP Canada employees, volunteers and contractors also understand the importance of impartiality and the consideration of any potential conflict of interest in carrying out their activities, including certification and education. Conflicts of interest and objectivity are addressed through a strong governance structure, comprehensive policies and procedures and binding agreements to ensure that all activities are conducted in an independent and impartial manner.



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