



## NOTICE TO CFP® PROFESSIONALS AND FPSC LEVEL 1® CERTIFICANTS IN FINANCIAL PLANNING

---

Originally published in the Fall 2016 issue of the *FP Standard*.

### About the Conduct Review Panel:

The Conduct Review Panel (the “CRP”) is an independent Panel composed of CFP® professionals and members of the public. The CRP reviews staff investigation reports and determines, in accordance with the FPSC® *Disciplinary Rules of Conduct*, the appropriate disposition of complaints, in the public interest. The CRP currently has seven members including two public members. The membership reflects significant, diverse cross-sector industry experience and gender and geographic diversity.

### Recent Pattern of Complaints:

Over the past year, the CRP has reviewed a number of complaints involving allegations of CFP professionals:

- Failing to properly document client instructions; and/or
- Altering documentation, including employer required documentation or forms, subsequent to the documentation being signed by the client and absent discussion with the client regarding the amendment or express documented authorization and consent by the client.

Such complaints may involve, for example, the completion of documentation without the client's involvement or alteration of documentation subsequent to the client executing relevant documentation.

This conduct is concerning as it may reflect negatively on the CFP professional's professionalism and integrity. Further, for CFP professionals and FPSC Level 1 Certificants, who hold financial services licenses in addition to FPSC certification, such conduct may contravene regulatory rules and therefore constitute a potential breach of Rule 18. Where a CFP professional's financial services license or registration is suspended, such a suspension triggers a presumptive bar to new or continued certification with FPSC pursuant to the *FPSC Fitness Standards*.

### Notice to Professionals:

The CRP has determined that it is appropriate and in the public interest, to remind members of the profession of their obligations under the *FPSC Code of Ethics* and the *FPSC Rules of Conduct*, by drawing attention to the following Principles and Rules:

- **Principle 2: Integrity:** A CFP professional shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the CFP professional to observe both the letter and the spirit of the Code.

- **Principle 7: Diligence:** A CFP professional shall act diligently when providing advice and/or services to clients. Diligence is the degree of care and prudence expected from CFP professionals in the handling of their clients' affairs. Diligence requires fulfilling professional commitments in a timely and thorough manner and taking due care in guiding, informing, planning, supervising, and delivering financial advice and/or services to clients.
- **Principle 8: Professionalism:** A CFP professional shall act in a manner reflecting positively upon the profession. Professionalism refers to conduct that inspires confidence and respect from clients and the community, and embodies all of the other principles within the Code.
- **Rule 2:** A CFP professional shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a CFP professional, the CFP marks or the profession.

#### *Guidance*

Integrity is a fundamental quality in a professional. Conduct by a CFP professional in his/her private capacity or professional practice, which reflects negatively on the CFP professional's integrity, may negatively impact the public's view of the CFP professional, the certification marks and the profession overall.

In their professional practice, CFP professionals must treat colleagues, clients, employees and others with whom they have dealings: fairly, respectfully and in such a manner as to garner trust.

While FPSC is generally not concerned with the private activities of CFP professionals, conduct that is likely to impair client trust or reflect negatively on the integrity of the profession generally, may be concerning to FPSC and may result in disciplinary action, in the public interest. Such conduct may include, but is not limited to: conduct involving deceit or dishonesty; and/or conduct which evidences a failure to treat colleagues, employees and members of the public fairly.

- **Rule 12:** A CFP professional shall provide reasonable and prudent professional supervision of any subordinate or third party to whom the CFP professional assigns any work. A CFP professional shall provide reasonable and prudent professional supervision of any individual whose work is subject to review or oversight by him/her as a CFP professional.

#### *Guidance*

Where assigned work is subject to the CFP professional's review or oversight in his or her capacity as a CFP professional, such as where the CFP professional has a team practice, the CFP professional remains ultimately responsible for the work performed. Where work is transferred to another professional with specialized expertise (an accountant, lawyer, etc.), the CFP professional may rely on that individual's professional expertise.

- **Rule 18:** A CFP professional shall perform financial planning in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities including FPSC.

### Guidance to Professionals:

To meet these professional obligations, CFP professionals and FPSC Level 1 Certificants should take steps to ensure that all client instructions are accurately and fully documented, that such documentation is completed during the course of the client meeting and that any changes or amendments are documented, discussed directly with the client and approved in writing by the client to ensure full client understanding and documented consent. Clients should not be asked to sign on blank or incomplete forms. CFP professionals, who are responsible for overseeing or supervising work completed by others (including administrative staff) should take reasonable steps to ensure proper policies and procedures are in place regarding the documentation of client instructions and that these policies and procedures are well understood and followed.

In accordance with Rule 12, when acting in a supervisory capacity, CFP professionals have a professional responsibility to provide reasonable and prudent supervision of any individual whose work is subject to their review or oversight.

We trust the above is helpful and will guide you in your future professional conduct. Strict adherence to the ethical and professional obligations in the *Standards of Professional Responsibility* will ensure that all CFP professionals and FPSC Level 1 Certificants continue to earn the trust and confidence of Canadians.

Although the specific Principle and Rule numbers in this document may not be current, if the conduct described in this document were to occur now, it would still be in breach of the current Standards. As such, please review the most current version of the Standards of Professional Responsibility published [here](#) to locate the current applicable Rules and Principles.