



FP Canada Standards Council™

2021 Report



About FP Canada™

A national professional body working in the public interest, FP Canada is dedicated to championing better financial wellness for all Canadians by certifying professional financial planners and 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, everything we do is in the public interest. We're committed to championing better financial wellness for all Canadians, and that commitment is at the heart of IMAGINE 2030—our bold vision for the future. IMAGINE 2030 envisions a future where all Canadians have financial confidence and well-being, and all Canadians have access to professional financial planning that supports their diverse needs.

Achieving that vision demands an unwavering commitment to diversity, equity and inclusion (DEI), so that we can ensure all Canadians have access to the professional financial planning advice they need to achieve financial well-being—regardless of their age, income, race or gender.

Over the past year, I've been encouraged to see the FP Canada Standards Council taking steps forward on this key priority. As the body responsible for setting certification requirements and establishing and enforcing standards for the financial planning profession, the Standards Council has an important role to play in ensuring its rules and standards reflect the diverse needs of certificants, exam candidates and most importantly, the Canadian public.

As part of its commitment to DEI in the past year, the Standards Council has been focused on ensuring diverse representation on its various volunteer panels. When it comes to the development of professional standards, for example, it's important to have differing perspectives among those involved.

DEI is top of mind when setting and maintaining standards. As part of a recent update to the *Standards of Professional Responsibility*, the Standards Council revised one of its rules to clearly state that certificants must fulfill their professional responsibilities in a manner that is not only timely and thorough, but accessible and understandable, to clients. This change reminds certificants of the importance of ensuring that their practice and communications are barrier-free to persons with disabilities and those who need accommodation.

Encouraging greater diversity across the broader financial planning profession is also important for ensuring Canadians see themselves reflected in the professionals qualified to advise them. To this end, the Standards Council regularly reviews the certification requirements to mitigate and minimize barriers for any specific demographic groups. Any proposed changes to the certification paths are then reviewed and approved by FP Canada's Board of Directors, which is similarly focused on DEI as a key priority. As one recent example, we implemented a change to the work experience requirements to recognize international experience as equivalent to Canadian work experience. This will help encourage the development of an increasingly diverse financial planning profession that better reflects the country's population.

These are just a couple of examples of the ways in which the Standards Council is taking important steps forward on DEI. And as you read through this report, you'll learn about the many other ways that the Standards Council protects the public interest. As I reflect on this important work, I'm truly excited about the progress we're collectively making towards financial wellness for all Canadians.



Damienne Lebrun-Reid, L.L.B.
Executive Director, Standards & Certification
Head, FP Canada Standards Council

Message from the Executive Director, Standards and Certification and Head, FP Canada Standards Council

Technology is central to nearly everything we do. Given that technology is constantly advancing, and recognizing that the financial planning profession increasingly leverages technology when providing financial planning services to clients, we must continuously adapt and ensure our processes and standards reflect current practices. This was a key area of focus for the FP Canada Standards Council in 2021.

In part, the ongoing impacts of the COVID-19 pandemic contributed to this focus. The Standards Council leveraged technology in order to continue operating smoothly throughout the pandemic. For example, Discipline Hearings were held virtually, with FP Canada certificants afforded an opportunity to request an alternate format for a portion or all of the proceeding.

The Standards Council seamlessly delivered its certification exams throughout 2021, with candidates having the choice to write the exams either at in-person test centres or remotely through online proctoring. Given the positive feedback we have received on this flexible and accessible approach, we plan to continue offering online proctoring as an option for exam candidates in 2022.

Technology was also an area of focus for the Standards Panel in 2021. The Standards Panel approved two new rules of conduct in 2021, related to certificants' use of technology when providing financial planning services to clients. These rules reflect the reality that CFP® professionals and QAFP™ professionals use technology regularly in practice and to support interaction with clients. The rules ensure greater transparency for clients in terms of the methodologies and assumptions used when their financial planner is relying on technology as part of the financial planning process.

These types of updates to the *Standards of Professional Responsibility* are important to ensure the standards remain relevant and effective in protecting Canadian consumers and in supporting professional financial planners to understand their professional obligations and expectations.

In the coming year, FP Canada and the Standards Council will continue to explore the intersection of technology and financial planning. This includes supporting professional financial planners and ensuring consumers are protected.

In reflecting on all the work that the Standards Council accomplished in 2021, I would like to thank the staff for their hard work and dedication to the public interest. I would also like to thank the hundreds of volunteers who generously gave their time, serving on the various FP Canada Standard Council panels and committees, and as item writers, mock exam writers and exam markers. Your significant contributions play a meaningful role in helping the Standards Council fulfill its mandate for the benefit of all Canadians.

About the FP Canada Standards Council

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 certification exams. It ensures that FP Canada certificants 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 Standards Panel, the Conduct Review Panel and the Hearing Panel Roster. The panels' membership reflects a breadth of practice experience and gender diversity and has national scope.





Guidance to the Profession

The Conduct Review Panel published Practice Guidance in April 2021 entitled Conduct Outside of Practice and Professional Integrity.

The guidance serves to remind certificants that just as one's conduct in providing professional services can reflect on their integrity, "off-duty" conduct can also, in some circumstances, reflect negatively on their integrity as a professional. Certificants must always act with integrity and professionalism within and outside their financial planning practice.

Setting Professional Standards

FP Canada certificants 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, one financial planner (Pl. Fin.) licensed in the province of Québec, and at least one 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. The Standards Council and IQPF published updated *Projection Assumption Guidelines* in April 2021.

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.

Using Technology When Providing Financial Planning

The Standards Panel approved two new rules of conduct in 2021 related to certificants' use of technology when providing financial planning services to clients. The rules, which were developed by a working group established by the Standards Panel, came into effect July 1, 2021.

Rule 28:

When relying on or using technology in the financial planning process, a certificant:

- a. Must take reasonable proactive steps to gain a general understanding of the methodologies underlying the technology when they have a direct impact on financial planning projections and recommendations;
- b. Must have an understanding of the financial assumptions underlying the technology when they have a direct impact on financial planning projections and recommendations;
- c. Must validate that the inputs and assumptions used are reasonable and appropriate based on the client's circumstances; and
- d. Must validate that the outputs generated are reasonable and appropriate for the client before relying on them or presenting the final recommendations or strategies to the client.

Rule 29:

In all cases, irrespective of the data used, the material assumptions used as well as the rationale must be documented and clearly communicated to clients.

The rules and associated guidance ensure clients are better informed about the underlying financial planning methodologies and assumptions used in support of the recommendations made by their financial planner when developing their plan. Such transparency also serves to enhance the financial planner-client relationship by encouraging dialogue and engagement, helping to build greater trust.

- As noted in the guidance to the new rules, technology includes any digital tool used or relied on when providing financial planning services to clients including, without limitation, online discovery tools, financial projection and planning software/tools, portfolio management software/tools, other digital software/tools and digital advice platforms. In accordance with Rule 28, FP Canada certificants are required to review and assess the correctness of the inputs used as well as validating the reasonability of the output produced.

If financial planning services are offered digitally, the same level of transparency and disclosure should be applied as with traditional mediums. Certificants should make inquiries to ensure an understanding of their client's comfort with financial tools and technologies and take the client's level of comfort into consideration when providing financial planning recommendations.

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, several revisions were made to the *Disciplinary Rules and Procedures (DRP)* and *Disciplinary Rules and Procedures for Examination Misconduct (DPEM)* in late 2021. The revised DRP and DPEM took effect on February 1, 2022.

Some of the changes include the following:

- Statements of Allegations, which describe the misconduct alleged by the Standards Council, are now publicized on FP Canada's website within five business days of being filed.
- Full Hearing Panel decisions and reasons in disciplinary proceedings are published on FP Canada's website, along with summaries.
- While written hearings remain the preferred format, to add flexibility and to modernize the hearing process, the hearing formats available under both the DRP and DPEM have been expanded to include telephone and video conference hearings in addition to in-person or written hearings

Competency Profile Validation Project

In August 2021, the Standards Council created a task force and engaged Measure Learning, a full-service testing solutions company, to undertake the review and revalidation of the current FP Canada Standards Council Competency Profile. The Standards Council engages in this revitalization process 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.

Competency Profile Validation

The Competency Profile details the job-related skills, knowledge, attitudes and judgments required for competent performance by professional financial planners. A client's financial planning needs may encompass multiple goals and considerations, requiring proficiency in many areas. FP Canada certificants are skilled in providing financial planning in the context of the client's entire personal and financial picture addressing both current and future needs—while adhering to the principles and standards set out by the Standards Council. These abilities and obligations distinguish FP Canada certificants from other providers of financial advice.

The task force consisted of experienced financial planners, with representation from five provinces and from insurance firms, financial planning firms, banks, and professional bodies.

The task force's work resulted in a revalidation survey that was released to CFP certificants and QAFP certificants in Fall 2021. The survey gathered data with a view to validating the Competency Profile statements and understanding any differences among competency expectations of CFP professionals and QAFP professionals vis-à-vis job-related skills, tasks and core competencies in practice.

As a result of its work, the task force determined that two competency profiles should be developed, one for CFP professionals and one for QAFP professionals, to reflect the fact that the two certifications are distinct and that the job-related skills, tasks and core competencies reflect different levels of complexity and integration of professional financial planning practice. The two competency profiles will share the same set of competencies but will have distinct competency descriptions reflecting the different expectations for the application of the competencies between CFP professionals and QAFP professionals.

The new *FP Canada Standards Council Competency Profile for QAFP Certification* and the revalidated *FP Canada Standards Council Competency Profile for CFP Certification* will be published in early 2023 and take effect with the June 2024 exam administrations.

Setting Certification Requirements

The Standards Council oversees the certification requirements for CERTIFIED FINANCIAL PLANNER 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 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 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 2021 to create new exam cases and questions.

Exams in 2021

Through our partnership with Meazure Learning and their ProctorU division, FP Canada has expanded flexibility for exam candidates by providing the choice between writing in person or online through remote proctoring. Despite ongoing challenges around changing rules and provincial mandates and closures related to the pandemic, FP Canada was able to provide the flexibility needed to enable candidates to proceed with writing their exams. 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 Examination

Administration	In-Person	Online Proctoring	Total Candidates
May 2021	131	659	790
October 2021	299	517	816
Total	430	1,176	1,606

QAFP Examination

Administration	In-Person	Online Proctoring	Total Candidates
May 2021	20	233	253
October 2021	68	269	337
Total	88	502	590

Through each of the exam administrations, FP Canada implemented 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.

“ I found the exam to be fair and covered a broad range of topics that are typically seen in practice”

- 2021 CFP exam candidate

“ The [exam webinar offered by FP Canada] was the best. Just the right amount of information and covered in a professional and thorough manner. It was what made preparing for the exam easy. Kudos to the team. ”

- 2021 QAFP exam candidate

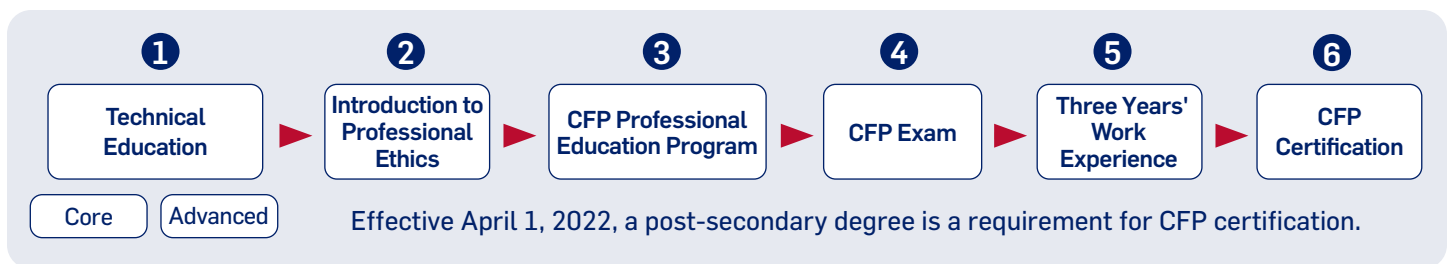
CERTIFIED FINANCIAL PLANNER Certification

CFP certification is the world's most recognized financial planning designation and is considered the 'gold standard' for the profession. CFP professionals have demonstrated the knowledge, skills, experience and ethics to see their clients' entire financial picture at the highest level of complexity required of the profession, and work with their clients to build a comprehensive financial plan so that they can **live life confidently™**.

To obtain CFP certification, candidates must complete a rigorous education program, pass a national exam 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

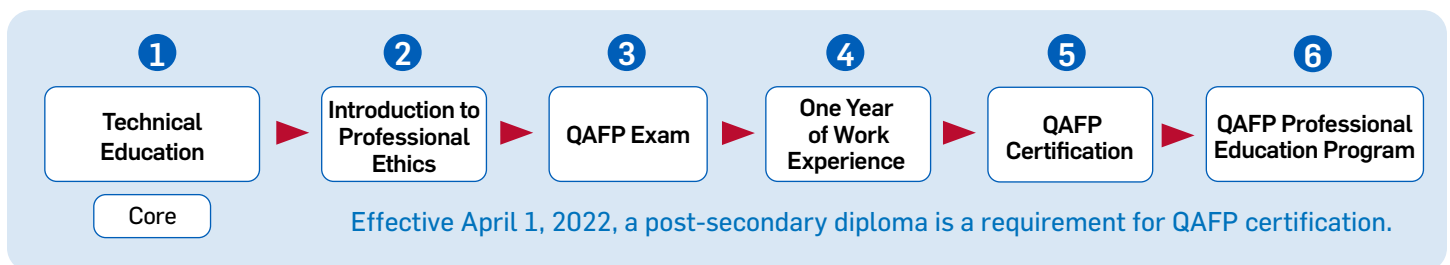


QUALIFIED ASSOCIATE FINANCIAL PLANNER Certification

QAFP certification is a great way to start a career in financial planning. QAFP professionals have demonstrated the knowledge, skills, experience and ethics to understand their clients' everyday financial planning needs and offer professional financial planning advice that fits their diverse lives and supports their goals. This is **where confidence begins™**.

To obtain QAFP certification, candidates must complete a comprehensive education program, pass a national exam and demonstrate one year of qualifying work experience.

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





Maintaining Professional Standards

Continuing Education Requirements

By setting standards that relate to continuing education (CE), the Standards Council ensures that FP Canada certificants continue to meet the required standards of competence and professionalism.

FP Canada's continuing education requirements are designed to support certificants' 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, all FP Canada certificants must meet the following annual CE requirements to maintain certification:

Breakdown by category	 CFP Professionals			 QAFP Professionals		
	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
	25					
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 unlimited	No
Product Knowledge	No minimum	5	No	No minimum		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 approaches to identifying and addressing common ethical dilemmas and challenges.

FP Canada develops and directly delivers CE in the category of Professional Responsibility, efforts which include a two-hour annual ethics session delivered each November during Financial Planning Week. Topics in the past have addressed: powers of attorney for property; dealing with clients with dementia; dealing with clients with mental health challenges; and conflicts of Interest, including in joint engagements.

CE Audit Results

71%

of CFP professionals selected for audit in 2021 met or exceeded their CE requirements

FP Canada CE Audits

FP Canada certificants are subject to random audits to ensure compliance with CE requirements. Certificants 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.

Third-Party Accreditor for MFDA Continuing Education Credits

On November 16, 2021, following lengthy consultations, engagement and a rigorous application process, the Mutual Fund Dealers Association of Canada (MFDA) approved FP Canada's application for recognition as a Third-Party Accreditor for Continuing Education (CE) Credits on behalf of the MFDA.

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

Given that more than 40% of FP Canada certificants 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 our certificants.

The Terms of Engagement Tool

In 2021, FP Canada developed a comprehensive new online Terms of Engagement Tool to support certificants when developing or updating client engagement letters. The tool, which launched in March 2022, supports certificants 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*.

FP Canada developed the tool in consultation with professional financial planners and industry stakeholders. The tool contains a wide range of sample clauses in areas such as conflicts of interest, scope of engagement, the value of holistic planning and confidentiality, among many others. Notably, all clauses are available in both French and English. Certificants who access the tool can build, download and easily customize their client engagement letters by (for example) adding their firm logo and other brand elements.

Here's what CFP professionals and QAFP professionals are saying about the new Terms of Engagement Tool:

.....
“ *Great tool, I really like the ability to customize and personalize in Word format at the end. Thank you. It's very well put together, and we really needed something like this.* ”
.....

“ *The tool is user-friendly and very simple. needed something like this.* ”
.....

“ *Excellent! I was surprised at the numerous options.* ”
.....



Enforcing Professional Standards

The Standards Council works to ensure that the public interest is protected and all certificants 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 certificants 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.

Feedback

The Standards Council focuses on ensuring the process of enforcement is fair, thorough and gives complainants and respondents a full opportunity to prepare and present their case. During 2021, the Standards Council received feedback from complainants, including the following:

Enforcement by the Numbers

- 81** Complaints Received
 - 9 Public Complaints
 - 62 Complaints Initiated by the Standards Council
 - 10 Presumptive Bar / Fitness for Certification

- 31** Complaints Referred to Conduct Review Panel

- 17** Complaints Referred to Discipline Hearing Panel

- 16** Discipline Hearings Held

.....
“ I would like to express my sincere thanks for your patience and kindness during the investigation. Your assistance is appreciated.”

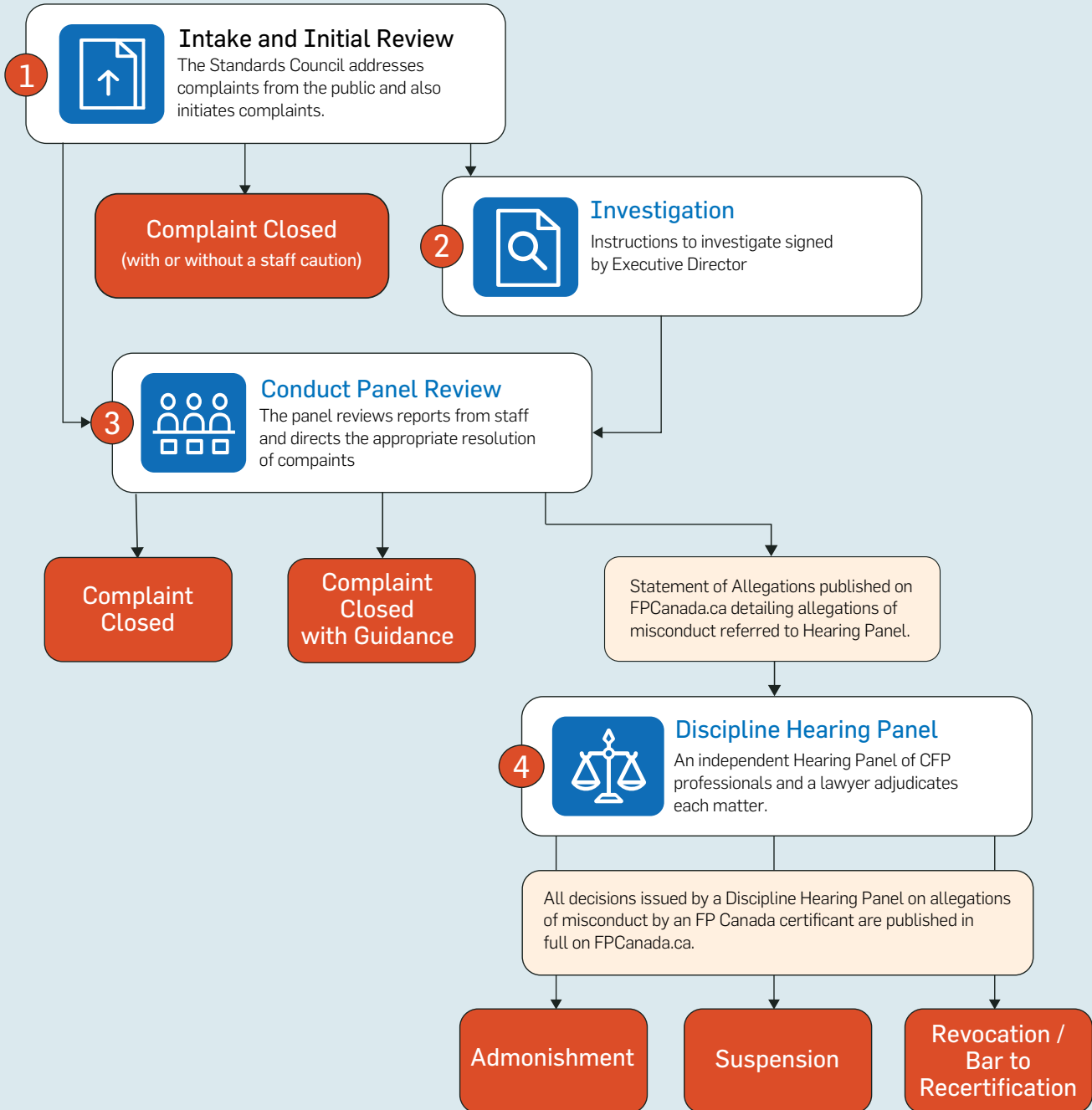
.....
“ We are satisfied that our concerns were taken seriously and validated. We sincerely hope that your investigation and the outcome will prevent other clients from having a negative experience like ours.”

.....
“ Thank you very much to ... the FP Canada team for following through on what has been completely devastating for so many families.”

Enforcement Process

The enforcement process encompasses four functions:

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



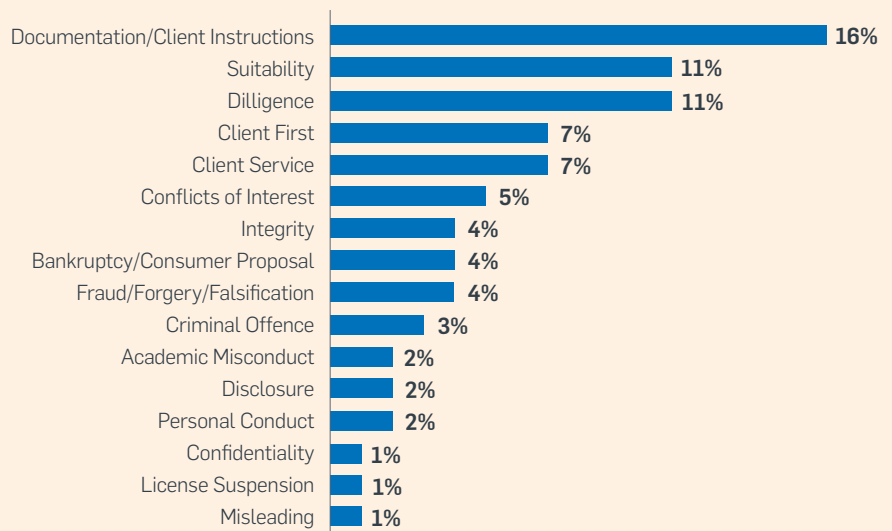
1 Intake and Initial Review

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

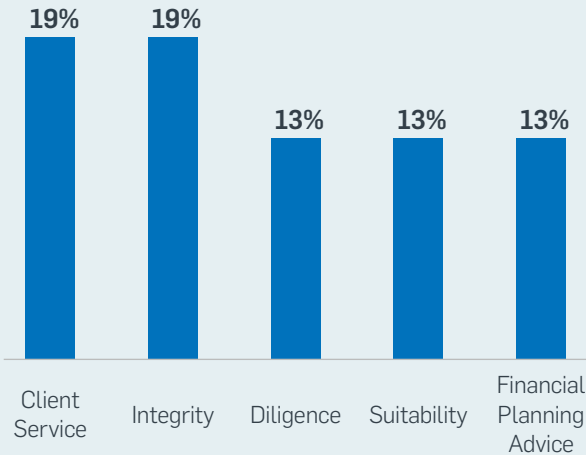
A presumptive bar to continued certification may come to the attention of FP Canada as a result of a self report by an FP Canada certificant (in accordance with the professional obligations to report) or by the Standards Council identifying a triggering circumstance. FP Canada proactively monitors a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

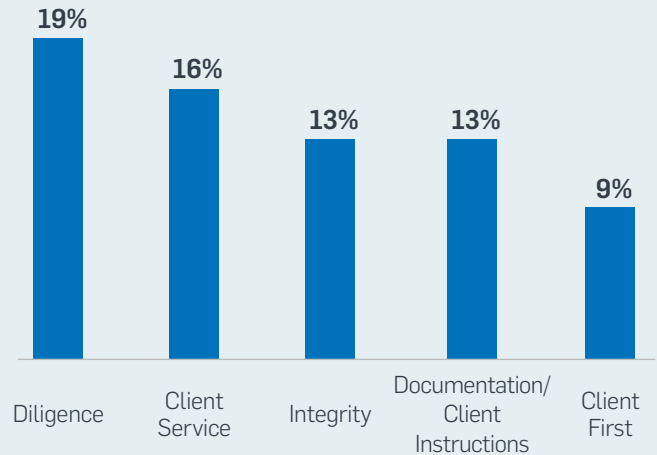
2021 Complaints Allegations



Top Five Public Complaint Allegations in 2021

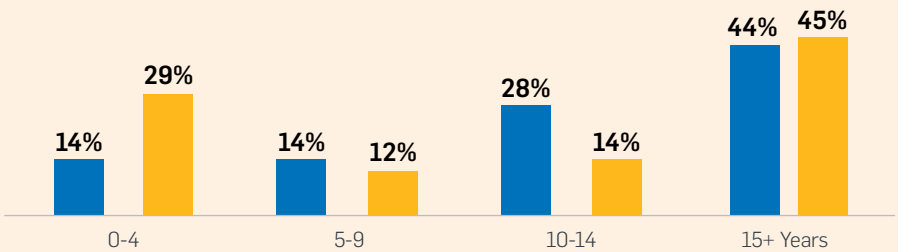


Top Five Complaint Allegations Initiated by the Standards Council in 2021



Subject of Complaint: Years Certified

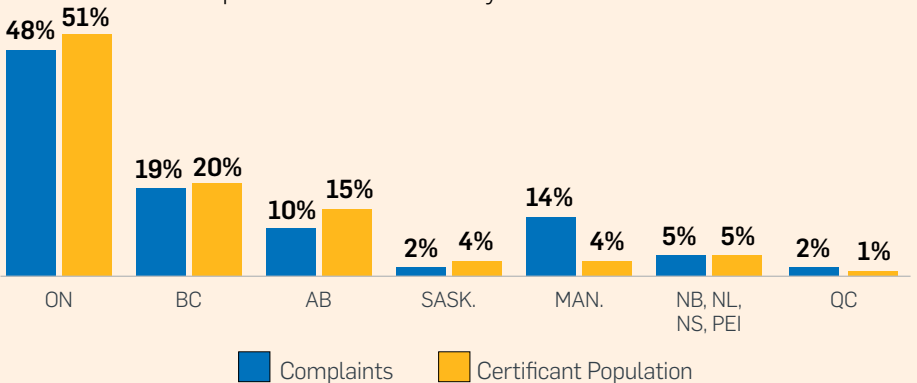
Complaints Received January 1-December 31 2021



In 2021, the complaints received, as they related to the number of years an individual was certified and the geographic region in which the individual practiced were proportionate with the profile of the profession.

Subject of Complaint: Geographic Region

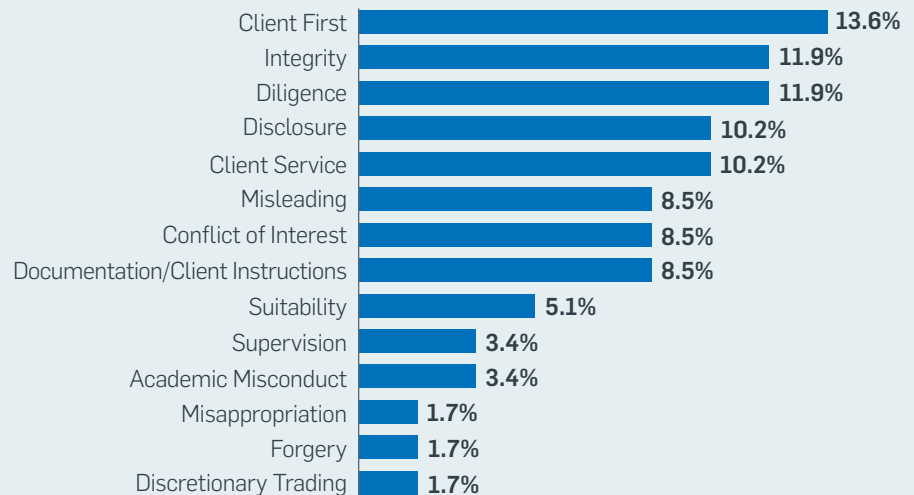
Complaints Received January 1-December 31 2021



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 certificant who is the subject of the complaint is notified and invited to respond to the complaint.

Investigations Instructed in 2021: Allegations



Interim Suspensions

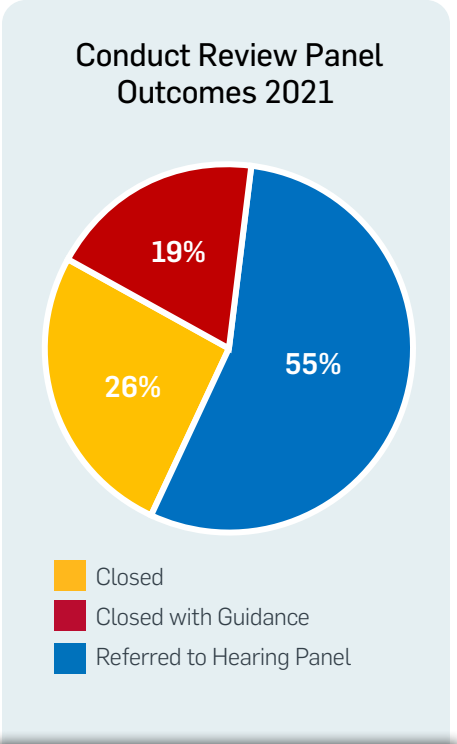
In exceptional circumstances, the Standards Council staff can obtain interim suspensions at the investigation stage to protect the public. In these cases, the certificant's record on the Find Your Planner Tool on the FP Canada website is updated to reflect the interim suspension.

In November 2020, the Standards Council became aware of several media articles reporting serious allegations made by a former client against Mr. Jeong Heon a.k.a. Abraham Shin, QAFP. The allegations included: taking a loan from a client, misappropriating funds from two (2) clients, and using confidential information from two (2) clients. Due to the serious nature of Mr. Shin's alleged conduct and the publicity surrounding the matter, in January 2021, the Standards Council sought and received approval to publicize its investigation and for an interim suspension of Mr. Shin's QAFP certification pending the outcome of the Standards Council's investigation and any discipline proceedings arising therefrom. Mr. Shin's certification was ultimately permanently revoked by a Discipline Hearing Panel in November 2021.

Duty to Cooperate

If a certificant 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 certificant failed to cooperate. A Hearing Panel finding that the certificant failed to cooperate may ultimately result in the revocation of their certification. Please see examples of such cases discussed below under "Selected Case Highlights".

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 2021, Guidance and Advice was issued in the following areas:

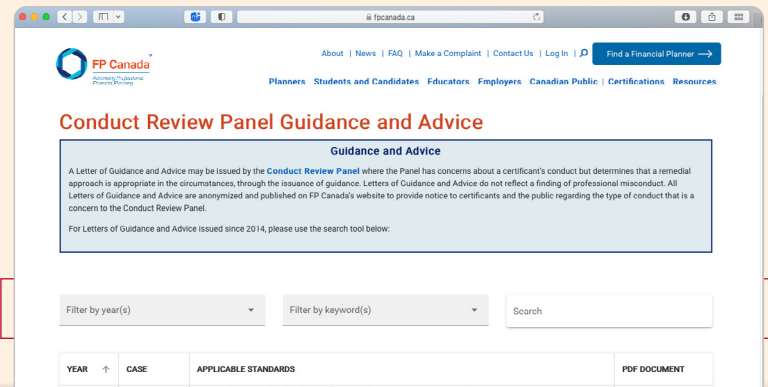
- Failure to act with Integrity, Fairness and/or Professionalism;
- Failure to act in the client's best interests;
- Failure to make only those recommendations and implementation strategies that are both prudent and appropriate for the client;
- Using personal and/or confidential client information without the written and informed consent of the client;
- Failure to perform due diligence;
- Failure to disclose information to the client in writing;
- Failure to act in a manner that reflects positively upon the profession;
- Failure to act with reasonable and prudent professional judgement; and
- Failure to perform financial planning in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities.

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.



Guidance and Advice Search Tool

In 2021, with a view of increasing access and promoting transparency for certificants, stakeholders and the public, FP Canada launched a new tool on its website allowing users to search the Guidance and Advice given by the CRP by year, keyword(s) or open text.

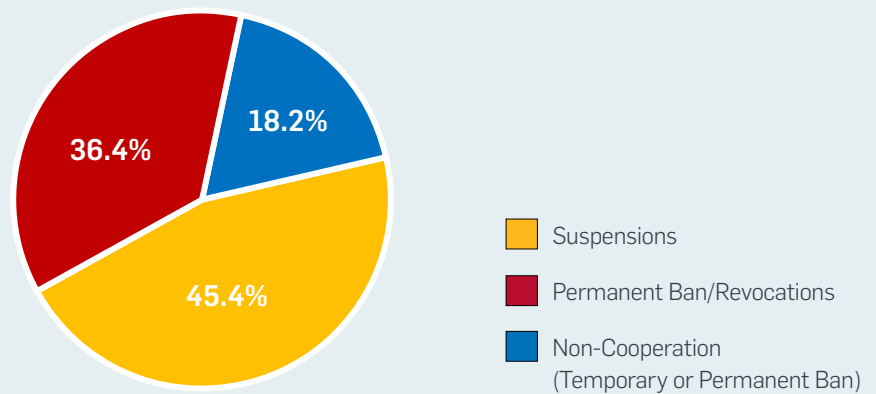


4 Disciplinary Hearings

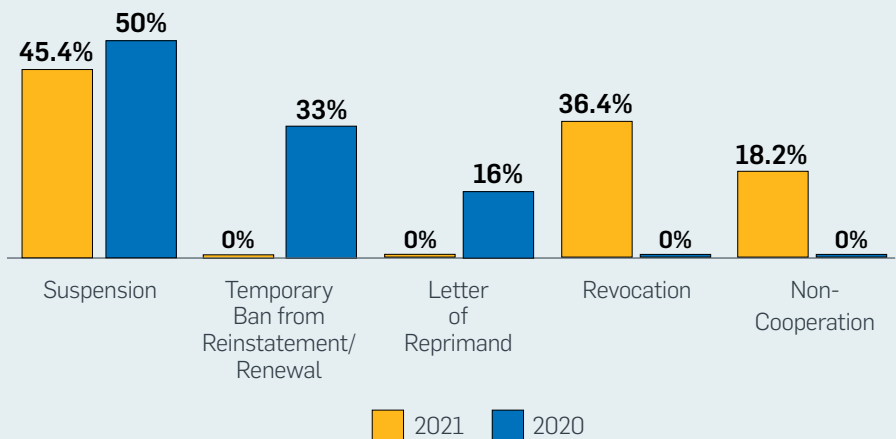
The Discipline Hearing Panel Roster is composed of CFP professionals and lawyers with diverse experience in compliance and professional discipline. Members come from across the country.

Certificants 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 2021



Comparison of Hearing Panel Penalty Outcomes Released in 2021 and 2020



Key Discipline Hearing Panel Decisions Released in 2021

Conduct that resulted in a letter of reprimand:

- Instructing a client to sign on behalf of their estranged spouse on two Registered Education Savings Plans (RESP) withdrawal forms and signing their own name in the agent section, knowing they were not the agent of record.

Conduct that resulted in suspension of certification:

- Recommending alternative investment products—to two clients—that were not appropriate for them, and without fully understanding the products. Also, making monthly deposits from their personal funds into the bank account of clients.
- Making unsuitable recommendations, disregarding direction from superiors and proceeding to invest the funds of an elderly client into unsuitable investment products.
- Misrepresenting client instructions and processing two redemptions based on email instructions and then falsely representing that they had spoken with the client and confirmed the client's instructions, when they had not done so.

Conduct that resulted in a prohibition on certification or renewal:

- Making recommendations and implementing strategies that were inappropriate given the client's circumstances and failing to obtain written instructions prior to implementing the investment strategies.
- Failing to exercise reasonable and prudent professional judgement in providing financial planning services, failing to recommend and implement only those strategies that were prudent and appropriate for their clients and failing to provide an accurate and understandable description of the compensation arrangements to their clients.

Continuing education and remedial orders:

In many instances, Hearing Panels included a requirement in their Discipline Orders that the certificant take additional continuing education courses. The courses range from professionalism/ethics courses offered by the FP Canada Institute™, to financial planning and practice management continuing education programs. In one instance, the Hearing Panel ordered that a certificant complete, at their own expense, a course focused on the financial well-being of aging investors. These opportunities are designed to support remediation and reduce repeated misconduct through education.



Disciplinary Action Reports are published on the FP Canada website. Go to **Canadian Public** and click on 'Disciplinary Actions'



Case Search Tool

In 2021, with a view of increasing access and promoting transparency for certificants, stakeholders and the public, FP Canada launched a new tool on its website allowing users to search the cases by year, conduct type, keyword(s) or open text.

The screenshot shows the 'Completed Hearings' section of the FP Canada website. It includes a search bar with filters for 'Filter by year(s)', 'Filter by Conduct Type(s)', and 'Filter by keyword(s)'. Below the filters is a table with the following columns: NAME, LOCATION, YEAR, CONDUCT TYPE, APPLICABLE STANDARDS, DISCIPLINARY DECISION, and PDF DOCUMENT. A red box highlights the search filters.

NAME	LOCATION	YEAR	CONDUCT TYPE	APPLICABLE STANDARDS	DISCIPLINARY DECISION	PDF DOCUMENT
Phippen, Darryl	Ottawa, ON	2022	Conduct Towards	FP Canada Standards Council Code of Ethics (2010-2011): Principle 4 FP Canada Standards Council Rules of Conduct (2010-2011): Principle 4		<ul style="list-style-type: none"> Amended Statement of Allegations Decision

Selected Case Highlights

Case of Note

In the matter of FP Canada Standards Council and Gregory P. Cameron, the Standards Council received five (5) public complaints - involving seven (7) of Mr. Cameron's clients - relating to their investments in a portfolio of mutual funds collectively referred to as the "Magna Funds." In a Settlement Agreement with the Standards Council, Mr. Cameron admitted, and the Hearing Panel found, that he:

- Failed to recommend only those strategies that were prudent and appropriate for at least seven (7) of his clients, in that he recommended strategies to these clients whose objectives, personal circumstances and investment knowledge did not support such strategies; and
- Failed to adequately disclose the level of risks of investing in the Magna Funds and the increasing level of risk of these investments over time, to at least seven (7) of his clients.

The Hearing Panel accepted the joint proposed penalty and, on October 25, 2021, ordered that Mr. Cameron:

- Be permanently banned from seeking renewal or reinstatement of his CFP certification or any other certification with FP Canada;
- Be permanently banned from using the certification marks and/or holding himself out as a certificant; and
- Pay costs to FP Canada in the amount of \$20,000 (which have been paid in full).

The panel was of the view that a permanent ban was justified given the "numerous and serious aggravating factors that exist in this case," including the following:

- The misconduct was serious and resulted in significant financial losses to the Complainants totaling approximately \$1 million;
- At the time of the recommendations, all of the Complainants were nearing retirement or already retired and had identified the funds as their primary source of savings. As a result of their monetary losses, several of the Complainants had to continue to work well into their retirement and suffered both physical and mental health problems;
- Mr. Cameron was an experienced financial planner and he ought to have understood his professional obligations to the Complainants; and
- Mr. Cameron's cooperation during the Standard Council's investigation was limited.

The Panel also noted the following mitigating factors: Mr. Cameron entered into a Settlement Agreement; he did not have a prior discipline history with the Standards Council; he acknowledged that his actions may have reflected negatively on the financial planning profession; and he was no longer working in a client-facing role as a financial planner.

Adjournment Motions

Hearing Panels have consistently denied requests where an FP Canada certificant argues that the discipline hearing should be adjourned pending the outcome of another, related proceeding. The Hearing Panel has denied such requests on the basis that it is an independent body and need not wait for the outcome of other proceedings in order to proceed. The focus of the Standards Council is on whether the Certificant breached the *FP Canada Standards Council Standards of Professional Responsibility*.

Non-Cooperation Cases

Rule 35:

A Certificant shall reply promptly and completely to any communication from FP Canada, the FP Canada Standards Council or any other department or division of FP Canada from which a response is requested.

Rule 36:

A Certificant shall cooperate fully with an FP Canada Standards Council inquiry, initial review and/or investigation of a complaint unless legally prevented from doing so.

In 2021, there were several cases escalated by the Executive Director, pursuant to Article 4.3 of the DRP, directly to a Hearing Panel for consideration of the allegation that the FP Canada certificant failed to cooperate with the Standards Council.

In particular, in the matters relating to Andrew Kazina, Helen Harry and Joan McCarthy, the certificants or former certificants failed to respond to multiple correspondences sent by Standards Council staff, whether it be at the initial review stage or after an investigation had been instructed.

In all cases, the Hearing Panel ultimately ordered the following penalty:

- Ban from seeking renewal or reinstatement of certification with FP Canada until the individual provides a complete and substantive response to the Standards Council's communications;
- If the individual fulfills the condition above within thirty (30) days, the ban from seeking renewal or reinstatement of their certification shall continue for an additional sixty (60) days;
- If the individual fails to fulfill the condition within thirty (30) days, the individual shall be permanently prohibited from renewing or reinstating their certification; and payment of costs.

As Mr. Kazina and Ms. McCarthy did not comply with the respective terms of the orders made against them, they were permanently banned from seeking renewal or reinstatement of their certification. Ms. Harry, who was no longer a certificant at the time of the penalty hearing, did comply with the order in her matter, and was therefore temporarily banned.



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Enforcement of Trademark Use

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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 FP Canada certificants.

In 2021, the Standards Council took action in regard to 254 trademark violations, of which 248 were resolved in fiscal 2021/22. As of March 2022, only five matters remain unresolved. Of the 254 violations, all involved former CFP professionals who did not renew their certification for fiscal 2021/22 and failed to remove the trademarks from their websites, social media sites or otherwise, thereby misleading the public regarding their certification status.



Panel Members

In 2022, the Standards Council Panels are composed of the following members:

Standards Panel

Julie Seberras, CFP®
Chair
Toronto, ON

Nathalie Bachand, Pl. Fin.
Montreal, QC

Manmeet Bhatia, CFP®
Vancouver, BC

Johnathan Graves, CFP®
Halifax, NS

Lisa Henriques, CFP®
Burlington, ON

Lisa Henriques, CFP®
Burlington, ON

Ryan Laverty, CFP®
Toronto, ON

Russ Siemens
Public Member
Swift Current, SK

Nathalie Bachand, CFP® Pl. Fin.
Toronto, ON

QAFP Exam Panel

Jason Hunt, CFP®
Chair
Ottawa, ON

Lisa Beilman, CFP®
Winnipeg, MB

Joshua Brown, CFP®
Blind River, ON

Jenny Cho, CFP®
Toronto, ON

MaryAnn Kokan-Nyhof, CFP®
Winnipeg, MB

Neal Konogkham, CFP®
London, ON

Margie Parikh, CFP®
Victoria, BC

F. Darlene Robert, CFP®
Moncton, NB

CFP Exam Panel

Shannon Bernstein, CFP®
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Kitchener, ON

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

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Whitby, ON

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Toronto, ON

Carla Norris, CFP®
Vancouver, BC

Jacqueline Soong, CFP®
Toronto, ON

Michelle Tatham, CFP®
Toronto, ON

Shannon Tatlock, CFP®
Moncton, NB

Paul Thorne, CFP®
Dartmouth, NS

Ian Wood, CFP®
Winnipeg, MB

Panel Members

Conduct Review Panel

Jeff Cormier, CFP®
Chair
Dieppe, NB

Debbie Ammeter, CFP®, LL.B.
Winnipeg, MB

Marc André Castonguay, CFP®
Moncton, NB

Joel Chapman, CFP®
Mississauga, ON

John Hope, CFP®, LL.B.
London, ON

Linda McIntyre, CFP®
Moose Jaw, SK

Ian Rea
Public Member
Regina, SK

Geraldine Solodky, CFP®
Kootenay Region, BC

Hearing Panel Roster

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The Standards Council would like to thank: Sophie Brûlotte, Pl.Fin. who served on the Standards Panel from June 2019 to April 2021; Ross McShane, CFP® who served on the Standards Panel from March 2017 to September 2021; and Lesley Poole, CFP®, and David Johnson, CFP®, both of whom served on the Standards Panel from June 2016 to June 2022, for their contributions. The Standards Council would also like to thank Felice Torre, Pl. Fin. who served on the Conduct Review Panel from 2019 to 2022 for his contributions.



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.

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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