



FP CANADA STANDARDS COUNCIL™ 2023 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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Message from the President & CEO, FP Canada

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

The impact of economic uncertainty and volatility makes the achievement of financial wellness and resiliency more challenging for Canadians. More and more, they will need the expertise of professional financial planners to help navigate these challenges and secure their financial futures. High standards in financial planning not only provide Canadians with the assurance that their financial well-being is in capable hands but also foster trust and confidence in the financial system as a whole.

By adhering to rigorous standards of ethics, professionalism, competency and transparency, financial planners demonstrate their commitment to acting in the best interest of their clients, thereby strengthening trust and credibility in their recommendations and decisions.

FP Canada is known for its leadership in financial planning which is demonstrated by our commitment to upholding high standards in the public interest. By adhering to these comprehensive professional standards, CFP® professionals and QAFP® professionals can demonstrate their commitment to deliver high-quality services and foster trust and credibility in their recommended strategies.

The 2023 Standards Council Report highlights the Standards Council's efforts in enhancing and enforcing its standards to better serve the needs of consumers. From rigorous examination and disciplinary processes to the implementation of new standards, every part of the Standards Council's operations is structured to uphold the integrity and professionalism expected of financial planners certified by FP Canada.

The Standards Council's initiatives throughout the year are the cornerstone for maintaining professionalism, integrity, and excellence within the financial planning profession. As you will see in this report, FP Canada takes this role seriously. We invest significant resources to establish and uphold our robust standards, which set expectations for fairness, integrity, and accountability for our certificants and the broader financial planning profession.

We are grateful to the volunteers who donated their time and expertise to FP Canada. The contributions of our many volunteers enrich the work of the Standards Council by providing diverse perspectives and real-world insights that ensure our standards are relevant, practical, and effective. Having volunteers engaged in our certification and enforcement activities also ensures that our standards are upheld and applied consistently and fairly. The professionalism of our volunteers and their commitment to upholding integrity and accountability not only strengthens the credibility of our standards but also fosters a culture of trust and professionalism within the profession.

In closing, I also want to extend my deepest thanks to the dedicated Standards Council team for their unwavering commitment to supporting FP Canada in our ongoing efforts to enhance consumer protection. The achievements highlighted in this annual report are a testament to our collective efforts to advance the highest standards of professionalism, integrity, and accountability in the financial planning profession. As we look ahead, we remain steadfast in our resolve to adapt, innovate, and continue pushing the boundaries of excellence in standard setting, certification and enforcement. Thank you for your continued trust and confidence in FP Canada as we strive to build a stronger, more resilient financial future for all.



Message from the Vice President, Standards, Certification and Enforcement, FP Canada

Damienne Lebrun-Reid, LL.B.

Vice President, Standards Certification and Enforcement

A financial planner's professional reputation is critical to building and maintaining client confidence and trust. Upholding the reputation of the profession as a whole is also integral to gaining and maintaining public confidence in the financial planning profession. In some instances, misconduct by one individual can negatively impact the public perception of financial planners as a professional group. The FP Canada Standards Council continues to receive complaints highlighting that a professional's conduct outside of professional practices can impact and reflect negatively on the planner's integrity and professionalism, crossing the personal to professional threshold.

The Standards Council has jurisdiction over a planner's conduct outside of professional practice if the conduct reflects adversely on their integrity, fitness or the financial planning profession. When a financial planner engages in conduct that can be viewed as leveraging or being associated with their professional certification or financial planning expertise, the public could perceive the conduct as reflecting negatively on the professional (not just personal) integrity of the planner or as reflecting negatively on the financial planning profession. While the Standards Council is generally not concerned with the private activities of CFP professionals and QAFP professionals, conduct that is likely to impair client trust or reflect negatively on the integrity of the profession, may be concerning to the Standards Council and may result in a review and/or disciplinary action. The Standards Council also reviews conduct occurring on the path to certification and will consider an individual's character and integrity as part of the Standard Council's review of fitness for certification.

Planners must treat colleagues, clients, employees and all others fairly, respectfully, and in a manner that garners trust. This includes all spoken, written, and digital communication (including social media and networking sites). This could apply to posting your own or responding to others' content on social media platforms, or something said in a podcast, or at a networking event. All communications, in any format, should adhere to the provisions and spirit of the *Code of Ethics, Rules of Conduct and Practice Standards*. As a matter of best practice CFP professionals and QAFP professionals should be clear when they are not acting in their professional capacity and where they are providing a personal opinion (including for example, when engaged in discussions in social settings, in media or on social media platforms). As the use of social media continues to grow, and the boundaries between personal and professional continue to blur, it is important for CFP professionals and QAFP professionals to recognize their obligations to uphold ethical conduct not only in their

professional dealings but also in their communication practices, recognizing the significant impact their words and actions can have on public perception of the profession and trust.

Another area of focus for the Standards Council continues to be the use of technology by financial planners when providing financial planning services to clients. We live in a world that's constantly reshaped by technological advancements and shifting consumer preferences. Digital innovation presents an opportunity to transform the financial planning profession and make financial advice accessible to more Canadians. Given this, in 2021, the Standards Council introduced two new rules of conduct designed to set clear expectations for financial planners who use technology in their practice. To further support CFP professionals and QAFP professionals, in May 2023, the Standards Council released a Rule Interpretation Bulletin regarding the use of technology when providing financial planning services. If financial planning services are offered by leveraging technology, the same level of transparency and disclosure should be applied as with traditional mediums. CFP professionals and QAFP professionals 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. In addition, CFP professionals and QAFP professionals are required to review and assess the correctness of the inputs used, including any inputs entered by the client directly, as well as validating the reasonability of the output produced by the financial planning technology.

I would like to thank all the staff members and volunteers who contributed to the Standard Council's efforts to uphold our high standards of competence, integrity, and professionalism. Maintaining and enhancing the trust Canadians place in CFP certificants and QAFP certificants, remains a top priority for the Standards Council.

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

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

Setting Professional Standards

The Standards Panel oversees the standards of the profession, including the *FP Canada Standards Council Competency Profile for CFP Certification*, *FP Canada Standards Council Competency Profile for QAFP Certification* 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 Institute of Financial Planning (the Institute of Financial Planning), formerly known as 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 the Institute of Financial Planning publish updated *Projection Assumption Guidelines* annually in April. Ongoing collaboration with the Institute of Financial Planning 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.

The use of the *Projection Assumption Guidelines*, while not mandatory, is beneficial for both the financial planning professional and their clients. 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 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.

In May 2023, the Standards Council issued its first "[Rule Interpretation Bulletin](#)" which provides further information about the interpretation of the Technology Rules in the *Standards of Professional Responsibility*. In addition, in November 2023, to complement the CRP's Practice Guidance relating to Conflicts of Interest, the Standards Council issued a [Rule Interpretation Bulletin](#), which provides further information about the interpretation and application of the Conflict of Interest Rule.

Guidance to the Profession

The Conduct Review Panel 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.

Standards of Professional Responsibility Review

The Standards Panel has reviewed 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, QAFP professionals and industry leaders in May 2023. In the fall of 2023, draft Practice Standards and two new Rules of Conduct were released for input and consultation by the Standards Panel. Final amendments were approved by the Standards Panel in March 2024, were published in May 2024 and took effect June 1, 2024.

Two new Rules of Conduct have been added to the *Standards of Professional Responsibility*.

The first new Rule addresses 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. To address the 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 new Rule prohibits acting as Estate Trustee / Executor, POA for Property, and/or being named Beneficiary. The rule includes an exemption, for immediate family, as defined by the Standards, and those working for a trust company or entity, in the capacity as trustee or power of attorney for property.

The second new Rule of Conduct relates to the identification and documentation of a Trusted Contact Person. As a result, CFP professionals and QAFP professionals are now required to inform their clients about the role of a Trusted Contact Person and take reasonable steps to determine if their client would like to name a Trusted Contact Person. These obligations are similar to the ones planners who are subject to the measures implemented by the Canadian Securities Administrators (CSA) are required to take when opening an account or updating client information.



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 engages in an ongoing review of the *Disciplinary Rules and Procedures* (DRP) and *Disciplinary Rules and Procedures for Examination Misconduct* (DPEM).

The DRP and DPEM were last reviewed in the Fall of 2023, and updated documents were published in early October 2023. Among other amendments, the recent changes include publishing Discipline Hearing and Appeal Panel Decisions on CanLii, a national case reporting search tool, and the ability to collect additional costs relating to Discipline Hearings and Appeals.

FP Canada Standards Council Competency Profiles

In 2023, 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. A significant outcome of competency profile development and validation is the creation of examination blueprints, which outline exam specifications such as length and format, and provide the weightings of how the examination criteria – either the *FP Canada Standards Council Competency Profile for CFP Certification* or the *FP Canada Standards Council Competency Profile for QAFP Certification* are weighted on their respective exams. The updated *FP Canada Blueprint: CFP Exam* and *FP Canada Blueprint: QAFP Exam* were published on the FP Canada website in late 2023, and the competency profiles will be first assessed with the June 2024 and October 2024 exam administrations respectively.



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

FP Canada is a member of a global community of financial planning organizations with a shared commitment to establish, uphold, and promote high standards in professional planning. FP Canada actively works with the Financial Planning Standards Board (FPSB), the global body, and other affiliates worldwide to advance financial planning as a global profession. 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.

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

FPSB published its updated Global Financial Planning Standards in early 2023.

Following 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. The Standards Panel was pleased to see 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 to meet expectations of the Canadian marketplace.

Setting Certification Requirements

The Standards Council oversees the certification requirements for CFP professionals and QAFP 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 across various areas of financial planning and represent all types of financial planning practice.

The purpose of these Exam Panels is to ensure that:

- 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 with 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 throughout 2023 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 2023, the Standards Council engaged more than 170 volunteers.

Thank you to all our volunteers!



Exams in 2023

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 continued to offer three administrations annually with certification exam windows in February, May-June, and October 2023, with this schedule continuing in 2024. FP Canada continues to see strong interest in online proctoring, with it being the only option for the February administration, but with Spring and Fall administrations offering both in-person test centres and online proctoring. This variety enables candidates to proceed with writing their exams in an environment and on a schedule that best meets their needs.

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

CFP Exam

Administration	In-Person	Online Proctoring	Total Candidates
February 2023	0	259	259
May 2023	239	167	406
October 2023	291	165	456
Total	530	591	1,121

QAFP Exam

Administration	In-Person	Online Proctoring	Total Candidates
February 2023	0	25	25
June 2023	30	26	56
October 2023	40	17	57
Total	70	68	138

Throughout 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.



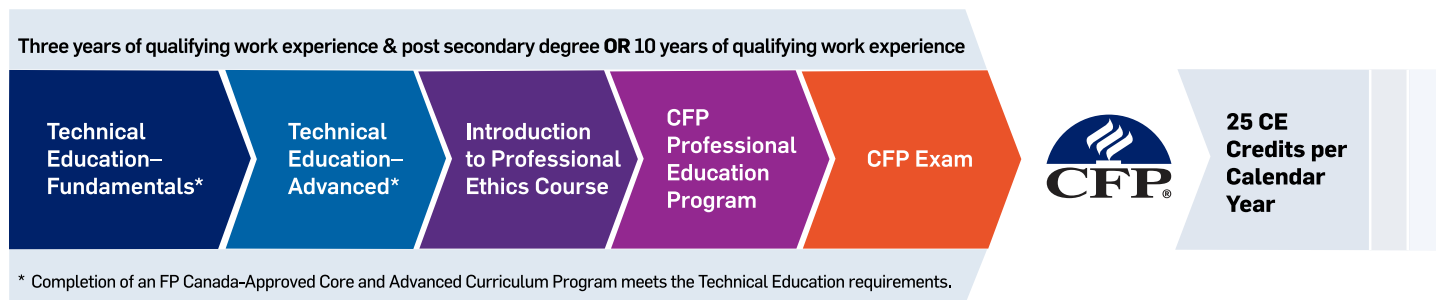


CERTIFIED FINANCIAL PLANNER Certification

CERTIFIED FINANCIAL PLANNER 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 examine their clients' entire financial picture, at the highest level of complexity required of the profession.

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.

Direct Path to CFP Certification



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

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

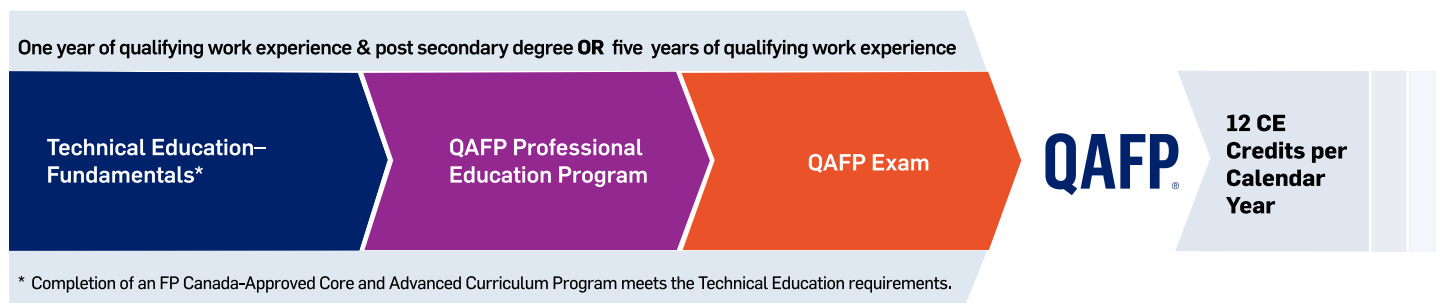
QUALIFIED ASSOCIATE FINANCIAL PLANNER Certification



QUALIFIED ASSOCIATE FINANCIAL PLANNER certification demonstrates a financial planner's competence and commitment to high professional and ethical standards. QAFP professionals have proven they have the knowledge, skills, and experience to provide holistic financial planning strategies to clients who are building their financial well-being and that are ideally suited to today's speed of life.

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.

Direct Path to QAFP Certification



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



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 25			QAFP QAFP Professionals 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 unlimited	No
Product Knowledge	No minimum	5	No	No minimum		No
Giving Back	No minimum	5	No	No minimum	No	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; what to do when clients make bad decisions; and the intersection between conduct outside of practice and professional integrity.

At the November 2023 Financial Planning Conference, ethics sessions focused 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 FP Canada's CE requirements. Those found to have fallen short of meeting these requirements may be denied renewal of their certification, pending proof that they have completed any outstanding CE credits. In addition to the random audit, all CFP professionals and QAFP professionals who indicate on their renewal application that they have not met their CE requirements for 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.

In 2023 FP Canada increased the number of CFP professionals selected for audit from 5% to 10% as part of an initiative focused on increasing awareness of, and compliance with, FP Canada's CE requirements. In addition to focused communications to all CFP professionals regarding their obligations, a campaign was undertaken to specifically educate new certificants. Part of this continuing initiative involves auditing all new CFP professionals within their first five years of being required to complete annual CE credits.

Results were very positive, and the 2023 audit of 2022 CE activities of CFP professionals produced the highest adherence rate since introducing the Professional Responsibility requirement in 2014.

The same changes were made to the QAFP professional CE audit, with 10% of QAFP professionals selected for audit of their 2022 CE activities. 2022 was the first year QAFP professionals were required to meet their CE requirements due to the certification being introduced in 2022 and the continuing education exemption received in recognition of completing a Professional Education Program within one year of certification.



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

As an approved third-party accreditor, FP Canada is recognized by the Mutual Fund Dealers Association of Canada (MFDA) as a body qualified to perform assessments of CE activity aligned with the 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.

The number of providers submitting programs through the FP Canada CE Approval program continues to grow, increasing by 8% from the previous year.

FP Canada Standards Council Dialogue

The Standards Council held its second annual Dialogue event, which took place virtually, on April 18, 2023. The event was designed for industry stakeholders, regulatory professionals, and compliance professionals and featured Karen McGuinness, Senior Vice-President, MFDA Member Regulation, Membership Intake & Innovation at the new Canadian Investment Regulatory Organization (CIRO). Ms. McGuinness discussed CIRO's priorities, compliance trends and areas of focus for CIRO from a compliance perspective. Damienne Lebrun-Reid, Vice President Standards, Certification and Enforcement, and Tamara Center, Director Professional Conduct and Enforcement, provided an update with respect to trends and activity in the Standards Council. Additionally, Rebecca Durcan, Co-Managing Partner, Steinecke Maciura LeBlanc, presented on the topic of "serious misconduct," including how firms should address conduct that occurs outside of professional practice. Twenty-eight individuals attended this invitation-only event, representing 20 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 | 3. Objectivity | 5. Transparency |
| 2. Effectiveness | 4. Transparency | 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

121	Complaints Received
37	Public Complaints
71	Complaints Initiated by the Standards Council
13	Presumptive Bar / Fitness for Certification
32	Complaints Referred to Conduct Review Panel
13	Complaints Referred to Discipline Hearing Panel
13	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*.

2023 Complaints Allegations



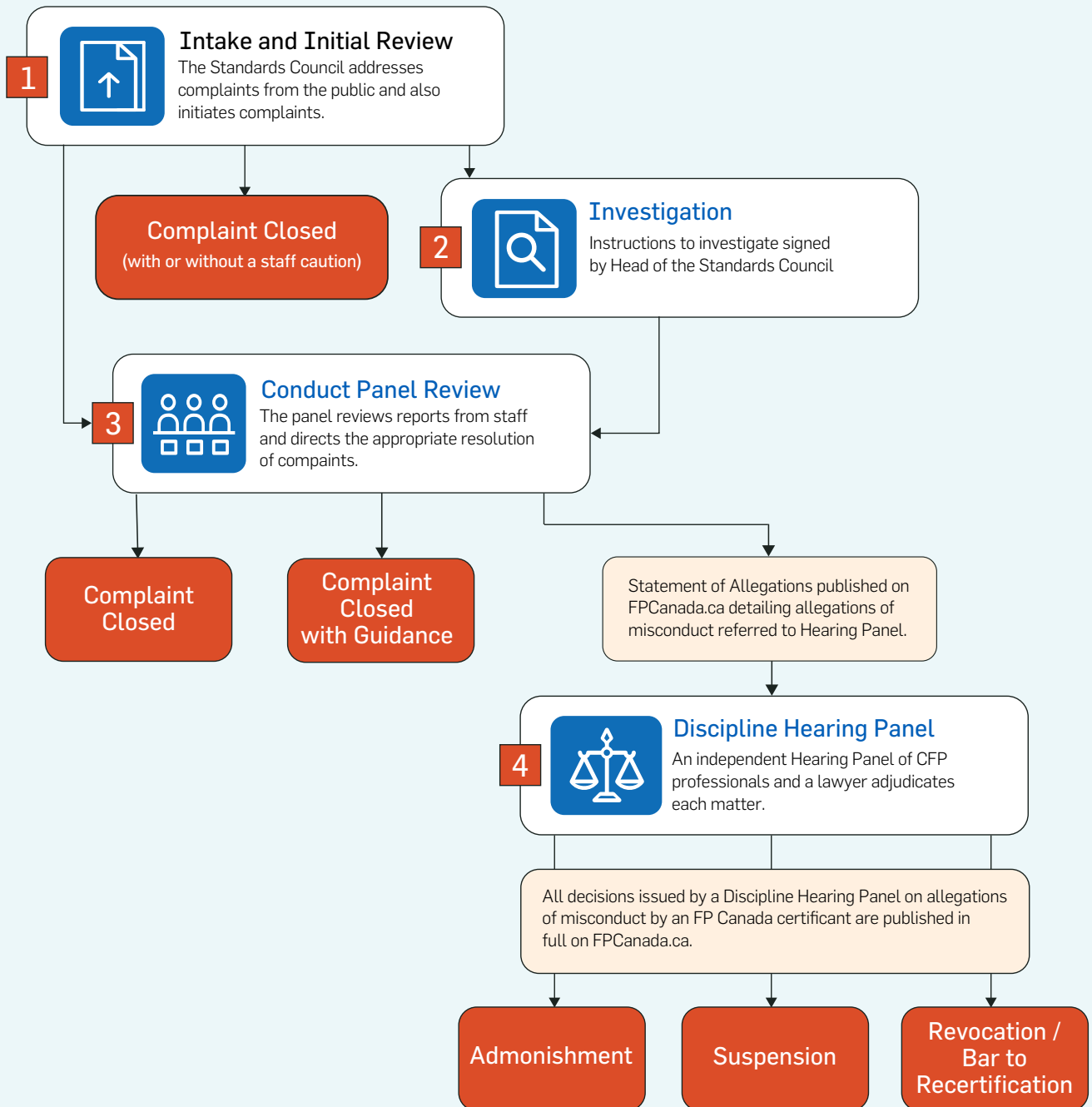
“ Thank you for your kindness. I’m very grateful for your understanding in contacting [a witness] with such care and grace. ”

- FP Canada Certificant

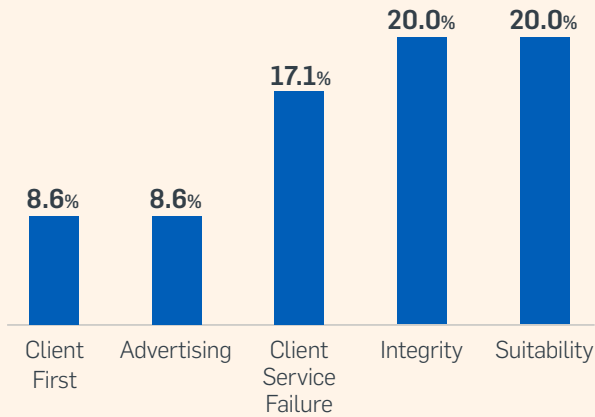
Enforcement Process

The enforcement process encompasses four functions:

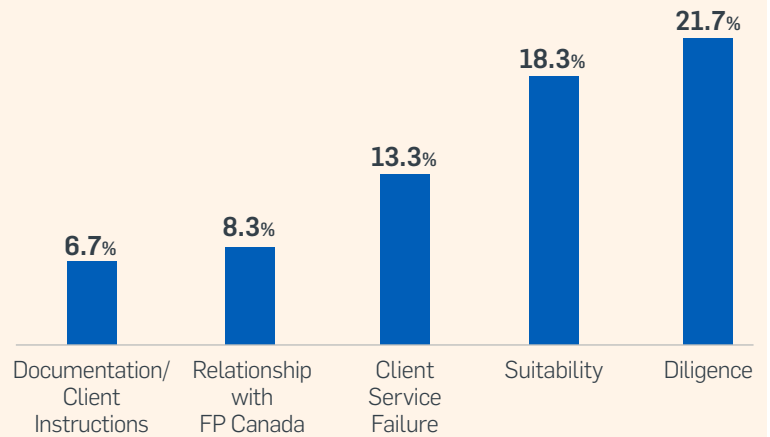
- Intake and Initial Review
- Investigation
- Conduct Panel Review
- Discipline Hearing Panel



Top Five Public Complaint Allegations in 2023



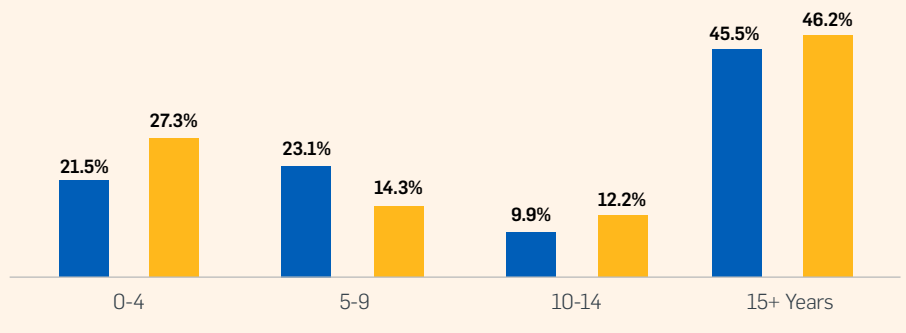
Top Five Complaint Allegations Initiated by the Standards Council in 2023



The profile of the complaints received by the Standards Council in 2023 was proportionate to the profile of the profession generally when looking at length of certification and geographic region.

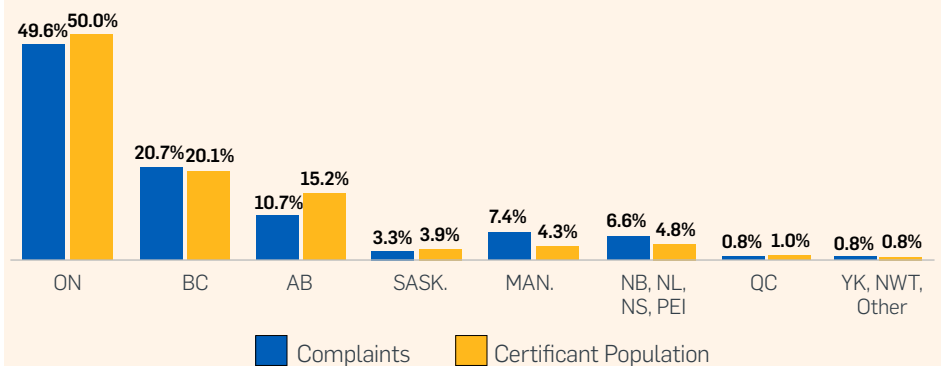
Subject of Complaint: Years Certified

Complaints Received January 1-December 31 2023



Subject of Complaint: Geographic Region

Complaints Received January 1-December 31 2023



“ Thank you so much again for your work... We feel confident that you will get to the bottom of it all. And we look forward to working with you in that regard.”

- Public Complainant

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.

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.

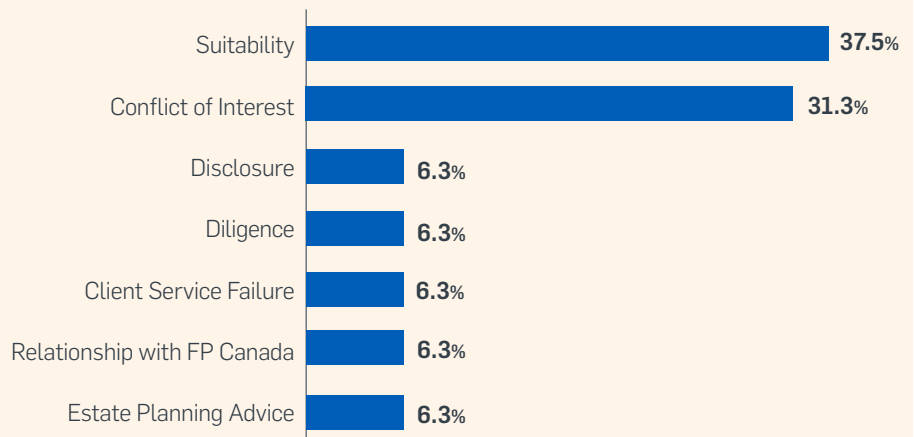
FP Canada will continue to engage with regulators to support the evolution of title protection regimes across Canada with a view to enhance consumer protection.



2 Investigation

Following the initial review process, the Head of the Standards Council determines if there are sufficient grounds to commence an investigation. If an investigation is initiated, investigators 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 2023: Allegations



Interim Suspensions

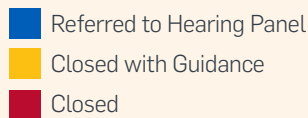
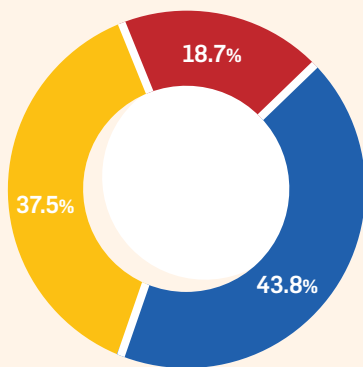
In exceptional circumstances, the Standards Council staff can obtain interim suspensions at the investigation stage to protect the public. In these cases, the CFP professional or QAFP professional's record on the Find Your Planner Tool on the FP Canada website is updated to reflect the interim suspension.

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).

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 Head of the Standards Council 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 2023, a Certificant failed to cooperate by failing to respond to multiple correspondences sent by Standards Council staff regarding his professional conduct. Very shortly before the discipline hearing, the Certificant cooperated and ultimately entered into a Settlement Agreement with the Standards Council. The Hearing Panel accepted the Settlement Agreement and suspended the Certificant's certification and entitlement to use the CFP certification marks for 60 days and ordered the Certificant to pay costs.

Conduct Review Panel Outcomes 2023



3 Conduct Review Panel

The Conduct Review Panel (CRP), an independent panel composed of CFP professionals, 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 Hearing Panel.

In 2023, Guidance and Advice was issued in the following areas:

- Making inappropriate investment recommendations and failing to update clients' financial plans to reflect changes;
- Using blank and/or pre-signed client forms, altering client information on account forms and using the altered forms to process transactions;
- Processing fee withdrawals prior to obtaining client authorization and relying only on verbal commitments from clients;
- Conflict of Interest issues, including the failure to disclose conflicts of interest to clients and/or employers;
- Failure to perform due diligence;
- Failing to supervise administrative staff with respect to the processing of documentation and completion of tasks;
- Failing to maintain confidentiality of all client information;
- Failing to report matters to the Standards Council within 15 days of becoming aware of a change in one's prior Legal Declarations; and
- Failing to comply with applicable laws, regulations, rules, or established policies of another applicable authority.

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.

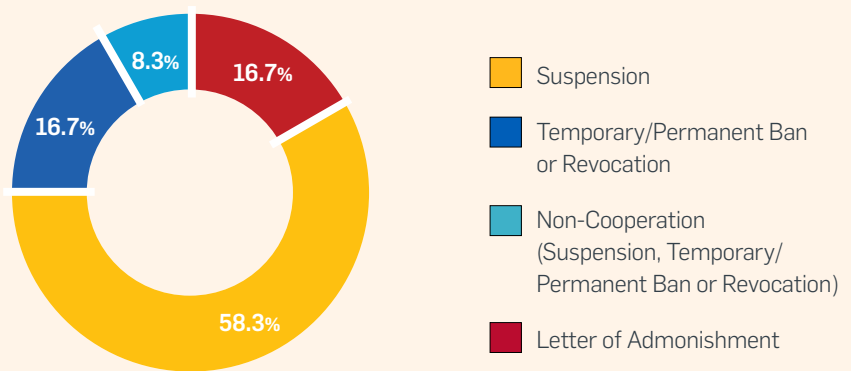
4 Disciplinary Hearings

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.

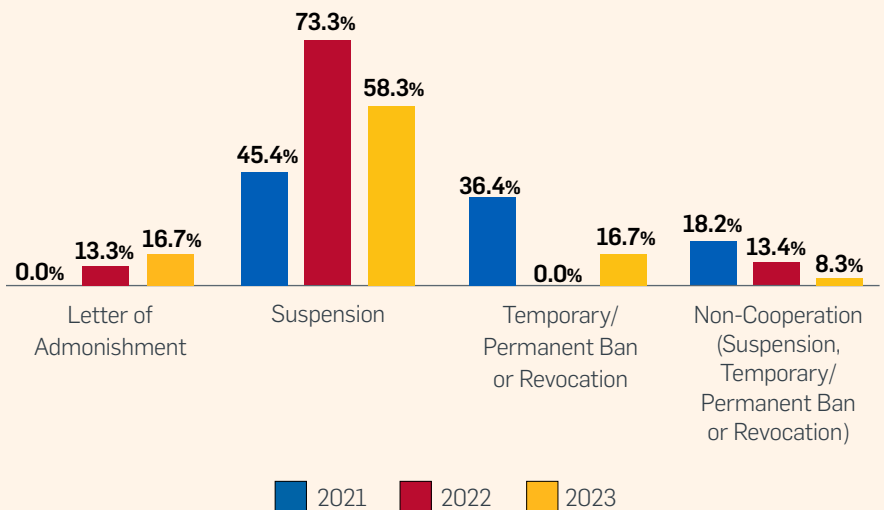
CFP professionals or QAFP professionals subject to a hearing are invited to participate in the hearing process. They may challenge the allegations before the Hearing Panel and submit written and/or oral evidence either directly or with the assistance of counsel. Where there is a finding of misconduct,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



Hearing Panel Outcomes 2023



Comparison of Hearing Panel Penalty Outcomes Released in 2023, 2022 and 2021



Key Discipline Hearing Panel Decisions Released in 2023

Examples of Conduct That Resulted in a Letter of Admonishment:

- Making misleading communications to the public in a published article that created unverifiable expectations
- Making a mistake that had the effect of cancelling a client's critical illness insurance policy and then failing to realize the mistake for a number of years as a result of a failure to review the client's annual statements and meet with the client regularly

Examples of Conduct That Resulted in Suspension of Certification:

- Failing to inform the Standards Council about another Certificant's (who was their employer) personal financial dealings with clients
- Being subject to a Consumer Proposal whereby the quantum owing was large, and the nature of the debts included a large sum owing to Canada Revenue Agency (CRA)
- Being banned by another securities regulator for more than one year for engaging in personal financial dealings with a client, and for failing to take steps to ensure that they were not named, directly or indirectly (through their spouse), as a beneficiary under the client's will
- Introducing clients, friends and family members to an investment opportunity without performing the necessary due diligence, and coaching an investor to lie to another securities regulator
- Introducing clients to the Directors of a company for the purposes of investing, without performing the necessary due diligence. The Certificant also failed to ensure that a client was aware of the scope of services he [the Certificant] was providing, the nature of the investments, and the associated risks
- Making an investment recommendation to clients without gathering information directly from each of the clients with respect to their financial situations, goals and/or objectives; and altering payee information and forging client initials on client cheques
- Failing to disclose to the clients, in writing, the potential or actual conflict of interest created by being a shareholder, director, and President of a company when two of his clients invested or pledged significant funds into the company
- Failing to promptly and completely reply to correspondence sent by FP Canada and the FP Canada Standards Council
- Referring a client to an unsuitable investment and failing to provide adequate disclosure to clients relating to the scope of services, compensation, and the investment product risks. The Certificant also made a misleading statement which referred to an investment as "guaranteed"



Examples of Conduct That Resulted in a Prohibition on Certification or Renewal:

- Pled guilty to advising without registration, contrary to the Securities Act, and being subject to a permanent ban by a securities regulator

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. For example, in 2023, Hearing Panels ordered that an individual complete, at their own expense, an FP Canada Institute course relating to managing conflicts of interest and, in another instance, an FP Canada Institute course focused on delivering effective recommendations. 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 2023. Note that some cases involve several different allegations of misconduct.

Novel Cases

In 2023, the Hearing Panel considered two cases which had not been considered by a Hearing Panel previously and were therefore novel.

The first case involved a Certificant who had knowledge that her long-time boss, who was also a CFP professional, had engaged in personal financial dealings with numerous clients over a period of eight (8) years. She also signed and witnessed promissory notes associated with one client's loans to her boss. The Rules of Conduct required a Certificant to report to the Standards Council another Certificant's egregious conduct which raised substantial questions as to the CFP professional's honesty, trustworthiness, or fitness as a CFP professional. At no point did the Certificant raise any objections to her boss's egregious conduct, nor did she report his conduct to their employer or the Standards Council, as required.

The Certificant and the Standards Council entered into a Settlement Agreement whereby the Certificant admitted that she failed to be fair and open in all professional relationships, failed to act with integrity, objectivity, and professionalism, and engaged in conduct that reflects adversely on the CFP marks or the profession. The Hearing Panel accepted the proposed joint penalty of: a letter of admonishment, a suspension of three (3) months, completion of additional Continuing Education ("CE") credits and the payment of costs. Of note is that in the Decision and Reasons, the Hearing Panel stated:

"While the Panel does not believe it would be appropriate to reject the joint submission, it does wish to identify through these reasons that it would have preferred a higher suspension for this type of conduct, especially since it is the first case of its kind before the FP Canada Standards Council Discipline Hearing Panel. The Panel also wishes to signal to the profession that harsher penalties may be ordered in future cases."

The second novel case involved a Certificant who authored an article that appeared in a magazine and online, which was misleading. In a Settlement Agreement with the Standards Council, the Certificant admitted that he engaged in conduct involving misrepresentation and adopted a method of obtaining clients that lowers the standards of dignity of the profession by making misleading communications to the public and creating "unverifiable expectations". Prior to the hearing, the Certificant removed the article at issue, and the Hearing Panel accepted the proposed joint penalty of a letter of admonishment and 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.

Good Character and Fitness for Certification Matters

In 2023, the Hearing Panel considered three (3) Fitness Standard matters in which a presumptive bar to the Certificant's continued or reinstated certification was considered. In Fitness Standard matters, Certificants are provided the opportunity to submit a Request for Reconsideration requesting that the Bar to Certification be set aside and that they be permitted to maintain or obtain FP Canada Certification.

The Hearing Panel considered one presumptive bar matter which was triggered by the Certificant's Consumer Proposal. In a Settlement Agreement with the Standards Council, as the Certificant was not certified at the time of the discipline hearing, the Hearing Panel accepted the proposed joint penalty of being banned from seeking renewal or reinstatement of certification with FP Canada until after filing a Certificate of Full Performance from the Consumer Proposal, as well as having to pay costs.

In two other matters, a presumptive bar was triggered by the imposition of financial services license bans by other securities regulators for a period of longer than one year. In the first matter, in a Settlement Agreement with the Standards Council, the Hearing Panel accepted the proposed joint penalty of a suspension of eighteen (18) months, having to complete additional CE and having to pay costs. In the second matter, the Certificant was also subject to an additional presumptive bar to continued certification with FP Canada, which was triggered by being found guilty of a criminal charge. In that matter, the Hearing Panel accepted the proposed joint penalty of a permanent ban on the Certificant's certification with FP Canada as well as costs.



Referrals and Disclosure

The Hearing Panel also considered several cases which addressed conduct where Certificants were referring clients to others for investment opportunities.

In one case, the Certificant introduced clients, friends, and family members to an investment opportunity without understanding or performing the necessary due diligence with respect to, the financial position of the company. In addition, he coached an investor to lie to a securities regulator. The Hearing Panel accepted the proposed joint penalty of a suspension of eighteen (18) months, completion of additional CE and costs.

Similarly, another Certificant introduced his client to the Directors of a company for the purposes of investing, without performing the necessary due diligence to understand the investment and the true financial position of the company. He also failed to ensure that his client was aware of: the scope of services he was providing; the nature of the investments he was introducing the client to; and of the risks associated with the investments. The Hearing Panel accepted the proposed joint penalty of a suspension of nine (9) months, as well as completion of additional CE and costs.

In a third case, the Certificant failed to provide adequate disclosure to several non-arms length clients relating to: the scope of services he was providing relating to an investment; the compensation he was entitled to receive as referral agent; and the investment product risks. In addition, he referred a client to the investment that was unsuitable for the client and made misleading statements in marketing materials which referred to the investment as "guaranteed". The Hearing Panel accepted the proposed joint penalty of a suspension of eighteen (18) months, completion of additional CE and costs.

* The above-noted cases from 2023, as well as all of the other cases decided by the Hearing Panel, can be found on FP Canada's website 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 Trademarks and 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 2023, the Standards Council took action in regard to 258 trademark misuse violations, of which 227 were resolved in fiscal 2023/24. As of March 2024, only 31 of these matters are pending resolution. Of the 258 violations, 231 involved former CFP professionals and 27 involved former QAFP professionals who did not renew their certification for fiscal 2023/24 and failed to remove the trademarks from their business websites, social media sites or otherwise, thereby misleading the public regarding their certification status.

Tools and Resources

The Terms of Engagement Tool

FP Canada's comprehensive online Terms of Engagement Tool supports 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*.

Since the launch of the Terms of Engagement tool in March 2022, approximately 1,400 CFP professionals and 88 QAFP professionals have accessed the tool and over 1,400 terms of engagement documents have been created using the tool.

After using the tool, CFP professionals and QAFP professionals are asked to share their feedback; here are a few comments:

- "I really liked the ability to select from several different clauses to insert into the Letter of Engagement. It covers a variety of practices"
- "This is great to use after learning about the amended professional standards. It made it easier and faster to implement changes."
- "Excellent tool! It was easy to update my current engagement letter"

Other Tools and Resources

The Standards Council also provides the following tools and resources:

- A [Guidance and Advice Search Tool](#) which allows users to search the Guidance and Advice given by the CRP by year, keyword(s) or open text.
- A [Case Search Tool](#) which allows users to search cases by year, conduct type, keyword(s) or open text.
- An [Email Notification Tool](#) which 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 Discipline Hearing Panel.



Panel Members

As of March 2024, 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

Aurèle Courcelles, CFP®, Pl. Fin.
Toronto, ON

Johnathan Graves, CFP®
Halifax, NS

Lisa Henriques, CFP®
Burlington, ON

Ryan Laverty, CFP®
Toronto, ON

Russ Siemens
Public Member
Swift Current, SK

David Truong, CFP®, Pl. Fin.
Montreal, QC

QAFP Exam Panel

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Chair
London, ON

Jenny Cho, CFP®
Toronto, ON

MaryAnn Kokan-Nyhof, CFP®
Winnipeg, MB

Eddy Mejlholm, CFP®
Chilliwack, BC

Carla Norris, CFP®
Vancouver, BC

F. Darlene Robert, CFP®
Moncton, NB

CFP Exam Panel

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Kitchener, ON

Robert An, CFP®
Vancouver, BC

Gisele Gherasim, CFP®
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Farzad Khoshandamgoli, CFP®
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Dan Martonfi, CFP®
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Minoo Naderi, CFP®
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Michelle Tatham, CFP®
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Ian Wood, CFP®
Winnipeg, MB

Panel Members

Conduct Review Panel

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Christopher Wright, CFP®
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Albert Pelletier, LL.B.
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Jonah Rabinovitch, CFP®, LL.B.
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The Standards Council would like to thank:

Lisa Beilman, CFP®, who served on the QAFP Exam Panel from February 2023 to June 2023; Marc André Castonguay, CFP®, who served on the Conduct Review Panel from July 2014 to July 2023; Ian Rea, who served on the Conduct Review Panel from July 2014 to July 2023; Linda McIntyre, CFP®, who served on the Conduct Review Panel from April 2017 to March 2023, and Joel Chapman, CFP®, who served on the Conduct Review Panel from October 2021 to June 2023.

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:** To demonstrate FP Canada's commitment to diversity, equity and inclusion, in June 2023, FP Canada joined the 50-30 Challenge; an initiative co-created by the Government of Canada, civil society and the private sector that aims to attain gender parity (50%) and significant representation of members of other equity deserving groups (at least 30%) on Canadian Boards and/or in senior management in order to build a more diverse, inclusive, and vibrant economic future for Canadians. Participating organizations agree to voluntarily take action towards achieving meaningful and substantive improvements in supporting diversity and inclusion within their organization.
- **Organization:** FP Canada is committed to fostering a workplace that celebrates diversity, promotes equity, and embraces inclusion. We believe that creating an inclusive and diverse environment is crucial for driving innovation, enhancing productivity, and cultivating a strong and cohesive community.
- **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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