



FP-BoK Topic 01: Financial Planning Profession and Financial Services Industry Regulation

Version: 2.1.0
Last Updated: November 1, 2023



QAFP

TOPIC 01 OVERVIEW: FINANCIAL PLANNING PROFESSION AND FINANCIAL SERVICES INDUSTRY REGULATION

Both QAFP professionals and CFP professionals are expected to possess knowledge, including the knowledge required to articulate their professional responsibilities as financial planning professionals, that will instill and maintain the trust of Canadians; identify and explain the role of relevant regulatory and oversight bodies in securities and insurance; and explain the framework and regulations that are in place to protect Canadians from such threats as the insolvency of a financial institution, unwanted communications and financial abuse and scams.

Sub-Topic	Knowledge Topics Common to Both QAFP Professionals and CFP Professionals	Knowledge Topics For Which CFP Professionals Are Expected to Have Deeper Knowledge
1.1 Financial Planning Profession	✔	
1.2 Securities and Mutual Fund Regulation	✔	
1.3 Insurance Regulation	✔	
1.4 Financial Services Industry Oversight	✔	✔
1.5 Consumer Protection	✔	✔

Taxonomy of the FP-BoK

The **verbs** used in the FP-BoK articulate the depth of knowledge expected of QAFP professionals and CFP professionals. The verbs are grouped into four **knowledge levels** which set out the depth or level of knowledge required for each knowledge topic.

KNOWLEDGE LEVELS

Knowledge Level	Associated Verbs Used in the BoK
Awareness	Define, Identify
Understanding	Explain
Application	Determine, Compare, Estimate, Calculate, Convert
Evaluation	Evaluate, Interpret

GLOSSARY OF VERBS USED IN THE FP-BOK

Verb	Description
Define	To state exactly the meaning of
Identify	To be aware of / to recognize and correctly name / to locate an appropriate resource
Explain	To make clear the meaning of / to describe something in more detail or reveal relevant facts or ideas related to it
Determine	To ascertain / to come to a decision, such as by investigation or reasoning
Compare	To note the similarities and differences between two or more things
Estimate	To determine an approximate value for
Calculate	To find the value using mathematics
Convert	To change from one form or purpose to another
Evaluate	To reach a conclusion or make a through careful study
Interpret	To give the meaning of / to construe or understand / to translate orally

TOPIC 01 KNOWLEDGE REQUIREMENTS

1.1 FINANCIAL PLANNING PROFESSION

1.1.1 FINANCIAL PLANNING PROFESSION

Knowledge Common to Both QAFP Professionals and CFP Professionals

- Explain key trends impacting the financial planning profession, such as:
 - Definition of family
 - Definition of retirement
 - Aging population
 - Longevity
 - Move from defined benefit to defined contribution pension plans
 - Savings rates
 - Debt levels
 - Financial services industry regulation
 - Advent of Fintech (Financial Technology)
- Identify the oversight organizations for the financial planning profession in Canada.
 - FP Canada™
 - Institut québécois de planification financière (IQPF)
- Explain the role of FP Canada and IQPF.
- Explain the purpose of personal financial planning.
- Define financial planning, financial planner and financial plan as outlined in the Canadian Financial Planning Definitions, Standards & Competencies.
- Explain the financial planning practice expectations of QAFP professionals and CFP professionals, as outlined in the FP Canada Standards Council Standards of Professional Responsibility including:
 - Standards Council Code of Ethics
 - Standards Council Rules of Conduct
 - FP Canada Standards Council Fitness Standards
 - FP Canada Standards Council Financial Planning Practice Standards
- Define a fiduciary.
- Identify factors that can influence whether a financial service representative may have a fiduciary relationship with a client,† such as:
 - Vulnerability
 - Trust
 - Reliance
 - Discretion
- Explain the Competency Framework for QAFP professionals, CFP professionals and F. PI. designation holders, as outlined in the Canadian Financial Planning Definitions, Standards & Competencies.
- Explain the purpose of the FP Canada/IQPF Projection Assumption Guidelines.
- Explain the financial planning assumptions as outlined in the unified set of FP Canada/IQPF Projection Assumption Guidelines.

- Identify FP Canada’s model financial plan structure, which reflects the integrated nature of financial planning.
- Explain the integrated nature of financial planning.
- Identify that a complaints process exists for potential breaches of FP Canada Standards Council Standards of Professional Responsibility.
- Identify that financial planners are regulated in Quebec where no individual may use the title of financial planner or purport to offer financial planning services without holding the appropriate certificate issued by the Autorité des marchés financiers (AMF).
- Identify FP Canada’s model financial plan structure, which reflects the integrated nature of financial planning.
- Explain the integrated nature of financial planning.
- Identify that a complaints process exists for potential breaches of FP Canada Standards Council *Standards of Professional Responsibility*.
- Identify that financial planners are regulated in Quebec where no individual may use the title of financial planner or purport to offer financial planning services without holding the appropriate certificate issued by the Autorité des marchés financiers (AMF).

† Refer to Section 185.

1.2 SECURITIES AND MUTUAL FUND REGULATION

1.2.1 SECURITIES AND MUTUAL FUND REGULATION

Knowledge Common to Both QAFP Professionals and CFP Professionals

- Identify that the provincial/territorial governments create securities legislation through securities acts.
- Identify that the provincial/territorial governments delegate securities regulation to their respective securities regulatory authorities (SRAs).
- Identify the applicable securities regulatory authorities (SRAs) in Canada.
- Explain the purpose of the applicable provincial/territorial securities regulatory authorities (SRAs), such as:
 - Investor protection
 - Fair access to markets
 - Reduction of systematic risk
 - Regulation of the marketplaces within their jurisdictions
- Explain the role of the provincial/territorial securities regulatory authorities (SRAs), such as:
 - Administer provincial/territorial securities laws
 - Ensure that those who sell securities within the province/territory are registered to do so and conduct themselves according to applicable laws and professional standards
 - Regulate public companies and investment funds that are available for purchase by investors in their jurisdiction
- Explain the provincial/territorial securities acts' broad principles of regulation, such as:
 - Regulation of product distribution
 - Disclosure
 - Registration
 - Enforcement
 - Consumer protection
- Identify the self-regulatory organizations in Canada.
- Identify that Investment Industry Regulatory Organization of Canada's (IIROC) and the Mutual Fund Dealers Association's (MFDA) regulatory functions are established under Recognition Orders from provincial/territorial securities regulatory authorities (SRAs).
- Identify that the Investment Industry Regulatory Organization of Canada (IIROC) is the national self-regulatory organization (SRO) that oversees all investment dealers and trading activity on debt and equity marketplaces in Canada.
- Identify the mandate of the Investment Industry Regulatory Organization of Canada (IIROC).
- Explain how the Investment Industry Regulatory Organization of Canada (IIROC) supports the provincial/territorial securities regulatory authorities (SRAs).

- Identify that the Mutual Fund Dealers Association of Canada (MFDA) is the national self-regulatory organization (SRO) that oversees the distribution of mutual funds in Canada.
- Identify the mandate of the Mutual Fund Dealers Association of Canada (MFDA).
- Explain how the Mutual Fund Dealers Association of Canada (MFDA) supports the provincial/territorial securities regulatory authorities (SRAs).
- Identify the mandate of the Canadian Securities Administrators (CSA).
- Identify that only approved registrants may provide advice on and transact in securities-related business in the provinces in which:
 - The registrants are registered
 - The securities are registered and qualified to be distributed
 - The client resides
- Identify the types of penalties that may be imposed for violating securities legislation, such as:
 - Suspension of a licensed representative
 - Deregistration as a licensed representative
 - Monetary penalties
 - Market access restrictions
 - Re-training or re-certification
 - Criminal prosecution or imprisonment
- Identify the options available to securities industry consumers for dispute resolution, such as:
 - File a complaint with the advisor / firm / dealer involved
 - File a complaint with the Ombudsman for Banking Services and Investments (OBSI)
 - File a complaint with a self-regulatory organization (SRO)
 - File a complaint with a securities regulatory administrator (SRA)
 - Take legal action

1.3 INSURANCE REGULATION

1.3.1 INSURANCE REGULATION

Knowledge Common to Both QAFP Professionals and CFP Professionals

- Identify that the provincial/territorial governments create insurance legislation through insurance acts.
- Identify that the provincial/territorial governments delegate insurance regulation to their respective insurance regulators.
- Identify the insurance regulators in Canada.
- Identify that the applicable provincial/territorial insurance regulator oversees any product or service relationship between the insurance industry, a member of the insurance industry and the public through the provincial/territorial insurance acts.
- Explain the purpose of the applicable provincial/territorial insurance regulators.
- Explain the role of the provincial/territorial insurance regulators.
- Explain the provincial/territorial Insurance acts' broad principles of regulation, such as:
 - Regulation of product distribution to consumers
 - Disclosure
 - Registration
 - Enforcement
 - Consumer protection
- Identify the mandate of the Canadian Council of Insurance Regulators (CCIR).
- Identify the mandate of the Canadian Insurance Services Regulatory Organizations (CISRO).
- Identify the types of penalties that may be imposed for violating insurance legislation, such as:
 - Suspension of licensed representative
 - Deregistration as a licensed representative
 - Monetary penalties
 - Re-training or re-certification
 - Criminal prosecution or imprisonment
- Identify that the Bank Act may restrict insurance activities by a bank and their employees.
- Identify the options available to insurance industry consumers for dispute resolution, such as:
 - File a complaint with the insurance agent / broker / advisor / insurance company involved
 - File a complaint with the Ombudsman for Life and Health Insurance (OLHI)
 - File a complaint with the General Insurance Ombudsman (GIO)
 - File a complaint with an insurance regulator
 - Take legal action

1.4 FINANCIAL SERVICES INDUSTRY OVERSIGHT

1.4.1 FINANCIAL SERVICES INDUSTRY OVERSIGHT

Knowledge Common to Both QAFP Professionals and CFP Professionals

- Identify the financial services oversight bodies under the jurisdiction of the Government of Canada, such as
 - Office of the Superintendent of Financial Institutions (OSFI)
 - Financial Transaction and Report Analysis Centre of Canada (FINTRAC)
 - Financial Consumer Agency of Canada (FCAC)
 - Office of the Privacy Commissioner of Canada (OPC)
- Identify the mandate of the Office of the Superintendent of Financial Institutions (OSFI).
- Identify the organizations that fall under the supervision and regulation of the Office of the Superintendent of Financial Institutions (OSFI).
- Identify the functions performed by the Office of the Superintendent of Financial Institutions (OSFI).
- Identify the mandate of the Financial Transaction and Report Analysis Centre of Canada (FINTRAC).
- Identify features of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), including:
 - The requirements of an individual employed in the financial services industry to report potential money-laundering schemes to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), such as:
 - Suspicious transactions
 - Terrorist property
 - Large cash transactions
 - The sanctions that may be imposed on an individual and their employer for non-compliance of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), such as:
 - Failure to report suspicious transactions
 - Failure to report a large cash transaction
 - Disclosing the fact that a suspicious transaction was made or disclosing the contents of such a report with the intent to prejudice a criminal investigation (“tipping”)
- Identify money-laundering red flags, such as:
 - Contact information changing often
 - Disconnected phone numbers
 - Source of assets not easily verifiable
 - Transaction history not aligned with employment or business
 - Frequent fund transfers
 - Large wire transactions
 - Exhibited lifestyle cannot be supported by earnings

- Insurance products purchased using single large premium payment
- Large cash holdings
- Identify methods for laundering money, such as:
 - Use of national and/or international banking system
 - Use of trade-based systems
 - Use of mobile and internet payment systems
 - Use of alternative remittance systems
 - Use of precious metals (gold, silver) or jewels (diamonds)
- Identify the stages of money laundering:
 - Placement
 - Layering
 - Integration
- Identify the mandate of the Financial Consumer Agency of Canada (FCAC).
- Identify the mandate of the Office of the Privacy Commissioner of Canada (OPC).
- Identify features of the Personal Information Protection and Electronic Documents Act (PIPEDA) or substantially similar provincial legislation, including:
 - The requirement to protect consumer information
 - The rights of consumers to request, receive and correct incorrect information
 - The sanctions that may be imposed for non-compliance with the Act
- Identify which information is considered private information under the Personal Information Protection and Electronic Documents Act (PIPEDA).

Additional Knowledge Expected of CFP Professionals

- Explain the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), including:
 - The requirements of an individual employed in the financial services industry to report potential money-laundering schemes to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), such as:
 - Suspicious transactions
 - Terrorist property
 - Large cash transactions
 - The sanctions that may be imposed on an individual and their employer for non-compliance of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), such as:
 - Failure to report suspicious transactions
 - Failure to report a large cash transaction
 - Disclosing the fact that a suspicious transaction was made or disclosing the contents of such a report with the intent to prejudice a criminal investigation (“tipping”)
- Explain methods for laundering money, such as:

- Use of national and/or international banking system
 - Use of trade-based systems
 - Use of mobile and internet payment systems
 - Use of alternative remittance systems
 - Use of precious metals (gold, silver) or jewels (diamonds)
- Explain the stages of money laundering:
 - Placement
 - Layering
 - Integration
- Explain features of the Personal Information Protection and Electronic Documents Act (PIPEDA) or substantially similar provincial legislation, including:
 - The requirement to protect consumer information
 - The rights of consumers to request, receive and correct incorrect information
 - The sanctions that may be imposed for non-compliance with the Act

1.5 CONSUMER PROTECTION

1.5.1 PROTECTION IN CASE OF INSOLVENCY OF A FINANCIAL INSTITUTION

Knowledge Common to Both QAFP Professionals and CFP Professionals

- Identify the entities that provide insolvency coverage for consumers of financial services, such as:
 - Canadian Deposit Insurance Corporation (CDIC)
 - Assuris
 - Canadian Investor Protection Fund (CIPF)
 - Mutual Fund Dealers Association Investor Protection Corporation (MFDA IPC)
 - Property and Casualty Insurance Compensation Corporation (PACICC)
- Explain the role of the Canada Deposit Insurance Corporation (CDIC).
- Explain the deposit eligibility requirements for coverage under the Canadian Deposit Insurance Corporation (CDIC).
- Calculate the coverage available from the Canadian Deposit Insurance Corporation (CDIC).
- Identify how coverage for the Canadian Deposit Insurance Corporation (CDIC) is funded.
- Explain the role of Assuris.
- Explain the eligibility requirements for Assuris coverage.
- Calculate the coverage available under Assuris.
- Identify how coverage for Assuris is funded.
- Explain the role of the Canadian Investor Protection Fund (CIPF).
- Explain the deposit eligibility requirements to qualify for coverage from the Canadian Investor Protection Fund (CIPF).
- Calculate the coverage available under the Canadian Investor Protection Fund (CIPF).
- Identify how coverage for the Canadian Investor Protection Fund (CIPF) is funded.
- Identify the timelines for making a claim for coverage with the Canadian Investor Protection Fund (CIPF).
- Explain the role of the Mutual Fund Dealers Association Investor Protection Corporation (MFDA IPC).
- Explain the deposit eligibility requirements for coverage from the Mutual Fund Dealers Association Investor Protection Corporation (MFDA IPC).
- Calculate the coverage under the Mutual Fund Dealers Association Investor Protection Corporation (MFDA IPC).
- Identify the timelines for making a claim for coverage with the Mutual Fund Dealers Association Investor Protection Corporation (MFDA IPC).
- Identify that provincial credit union deposit protection organizations exist.

Additional Knowledge Expected of CFP Professionals

- Explain the role of the Property and Casualty Insurance Compensation Corporation (PACICC).
- Explain the eligibility requirements for Property and Casualty Insurance Compensation Corporation (PACICC) coverage.
- Identify the products covered under Property and Casualty Insurance Compensation Corporation (PACICC).
- Identify how coverage for the Property and Casualty Insurance Compensation Corporation (PACICC) is funded.
- Identify the timelines for making a claim for coverage with the Property and Casualty Insurance Compensation Corporation (PACICC).

1.5.2 PROTECTION FROM UNWANTED COMMUNICATIONS

Knowledge Common to Both QAFP Professionals and CFP Professionals

- Define coercive tied selling.
- Identify that coercive tied selling is prohibited in all jurisdictions under various acts.
- Define relationship pricing.
- Identify the similarities and differences between tied selling and relationship pricing
- Identify the role of the Canadian Radio-television and Telecommunications Commission.
- Identify the consumer protection measures overseen by the Canadian Radio-television and Telecommunications Commission:
 - Canada Anti-Spam Legislation (CASL)
 - National Do Not Call List
- Identify the constraints for sending commercial electronic messages under the Canada Anti-Spam Legislation (CASL).
- Identify the sanctions that may be imposed for non-compliance of the Canada Anti-Spam Legislation (CASL).
- Identify the phone numbers that may be registered on the National Do Not Call List.
- Identify the organizations which are exempt from the National Do Not Call List.

1.5.3 PROTECTION FROM FINANCIAL ABUSE AND SCAMS

Knowledge Common to Both QAFP Professionals and CFP Professionals

- Define cognitive decline.
- Identify warning signs of cognitive decline.
- Identify financial risks of cognitive decline, such as:
 - Poor decision-making
 - Susceptibility to financial exploitation and abuse
- Define financial abuse.

- Identify common victims of financial abuse.
- Identify individuals who may engage in financial abuse.
- Identify examples of financial abuse involving pressure, force or trickery of the victim.
- Identify who an individual may contact if they believe they are a victim of financial abuse.
- Identify the role of the Canadian Anti-Fraud Centre (CAFC).
- Identify current fraudulent financial scams.
- Identify who an individual may contact if they believe they are a victim of fraudulent activity or a scam.