

April 16, 2018

BY EMAIL

Ministry of Finance
Frost Building North, Room 458
4th Floor, 95 Grosvenor Street
Toronto, Ontario
M7A 1Z1
Email: Fin.Planning@ontario.ca

Dear Sirs/Mesdames:

Re: Consultation – Regulation of Financial Planners (the “Consultation”)

CFA Societies Canada¹ in conjunction with the CFA Institute² appreciates the opportunity to comment on the Consultation. We are quite supportive of the consultation process the Ministry is undertaking with respect to financial planning activities, as we believe the lack of consistent regulation is an important issue. We would continue to encourage the Ministry to cooperate with the other provinces and territories, and self-regulatory organizations such as IIROC, to ensure that any measures taken will have universal application across the country.

The observations identified by the Ministry in the Consultation with respect to the widespread use of differing titles and descriptors complicating the marketplace for financial services are consistent with the experiences and understanding of CFA Societies Canada. We believe that a difficult to measure but meaningful proportion of those offering financial advice operate in the absence of financial regulations, often deliberately, and that this undermines consumers’ ability to select and receive appropriate financial advice. As a result, we are supportive of the initiative to establish minimum standards for professionals that hold themselves out as financial planners.

¹ CFA Societies Canada represents the CFA Institute and the 12 Canadian member societies, whose mission is to build brand awareness of the CFA designation and to advocate for the highest standards of integrity and ethics for the ultimate benefit of Canadian investors. Our Advocacy work is conducted through the Canadian Advocacy Council. Our website is located at <http://www.cfacanada.org>. Our Code of Ethics and Standards of Professional Conduct can be found at <http://www.cfainstitute.org/ethics/codes/ethics/Pages/index.aspx>.

² CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion for ethical behavior in investment markets and a respected source of knowledge in the global financial community. The end goal: to create an environment where investors’ interests come first, markets function at their best, and economies grow. CFA Institute has more than 155,000 members in 165 countries, including more than 148,900 CFA charterholders and 149 member societies. For more information, visit www.cfainstitute.org.

The implications the above has for consumer protection extends beyond simple confusion in the marketplace, resulting in two very important impacts on consumers. Consumers are directly impacted by improper advice from advisors that may lack appropriate training and education, and, secondly, public confidence in financial advice is undermined. An inability to understand and select appropriate advisors may be preventing people from receiving needed advice. The ability to access independent advice is very important, especially given economic factors such as the aging population and increasing debt loads. An increasing number of investors, including vulnerable investors, are relying on financial planners to help them achieve their financial goals, and we believe a high level of investor protection in this area is warranted.

As previously expressed in our comment letter to the Expert Committee, we agree with their conclusion that persons providing financial planning services should be regulated. In particular, the Expert Committee had suggested that the existing CSA structure regulating advisers and dealers continue to function as before, which we strongly support. The Ministry is moving ahead with the creation of the Financial Services Regulatory Authority (the “FSRA”), to oversee other activities not currently overseen by existing regulators. We have expressed concerns with respect to the creation of a new regulator, which may result in another layer of regulation, and potentially different regulatory priorities.

Our comment letter to the Expert Committee also mentioned that we did not support the naming of one standards-setting body as a self-regulator for the currently unregulated portions of financial planning. We were concerned that such a body would have a standard-setting monopoly over a wide area of financial services in Ontario. Any such monopoly might not be motivated to regularly review and renew its standards to the detriment of consumers and would discourage financial professionals from joining other organizations with higher standards. Instead, we suggested the establishment of an independent standards-setting body comprised of professional organizations to be overseen and have its standards enforced by existing regulators and SROs. An independent body of such multiple organizations could draw upon decades of experience in developing standards and achieve harmonization among them.

Nonetheless, as the FSRA moves forward, we note the importance of continued dialogue and cooperation with existing regulatory bodies to ensure there is no overlap of regulatory requirements.

We understand that the Consultation is focused on credentials and the use of titles, and that other aspects of the financial planner framework are still under consideration. Attached to our response are supporting documents related to CFA Institute’s credentialing process as requested in the following questions and in the questionnaire included with the Consultation. Links to these documents include:

[CFA Institute Code of Ethics and Standards of Professional Conduct](#)
[CFA Institute Rules of Procedure: Matters Related to Professional Conduct](#)
[CFA Institute Rules of Procedure: Exam-Related Conduct](#)
[CFA Institute Disciplinary Sanction Guidelines: Matters Related to Professional Conduct](#)
[CFA Institute Standards of Practice Handbook 2014: Eleventh Edition](#)
CFA Institute 2018 Course Learning Outcome Statements for [Level I](#), [Level II](#) and [Level III](#).

We would like to make the following comments with respect to each of the questions raised in the Consultation, and we look forward to the opportunity to provide additional input on the framework in the near future.

1.1. What changes, if any, would you suggest to the credential recognition standards above?

Determining the appropriate credential recognition standards must begin with a clear definition of “financial planning”. The Expert Committee report defined “financial planning or financial advice” in an appropriately broad sense, including “any review and analysis of a consumer’s current financial and personal circumstances” and that it “need not include the establishment of strategies.”

While the adoption of a very broad definition of financial planning is the only way to prevent those who do not wish to be regulated from defining their activities in such a way as to avoid regulation, there is a danger that a broad definition might restrict some professionals’ ability to provide the same level of assistance to clients as they currently provide. For example, a lawyer assisting a client with a will involving estate planning, or an accountant or tax lawyer assisting a client with tax advice, may all be providing some incidental financial planning advice and they should not be subject to additional licensing for those activities as they are already highly regulated. Establishing credential recognition standards should be done in a way that avoids disrupting functional relationships.

A narrow definition of financial planning risks limiting the effectiveness of an enacted proposal to one of the forty-eight titles identified in the mystery shopping exercise cited in the Consultation. It also may fail to address the key issue of confusion among consumers in the marketplace by covering a descriptor and not the service itself.

In considering the financial planners as members of an advisory ecosystem, it would be ideal if financial planners were held to similar standards as other advisors. We therefore propose that the credential recognition standards be compared with standards of other professional and regulatory requirements. A number of common

features of other financial professionals include appropriate standards of care and independence. Financial planning as an activity should be held to the same level of care.

We are of the view that the proposed education or course requirement should include some required training with respect to ethical behaviour, as it is an essential criterion for an investment professional. In order to test the rigor of the curriculum, objective measures should include exam pass rates, number of exams, as well as the length and type of work experience required to obtain the designation.

1.2. To what extent do specific credentials currently used in Ontario meet the credential recognition standards?

We note that many CFA charterholders engage in some form of financial planning with their clients. We believe the extensive private wealth body of knowledge established by CFA Institute, the rigorous exam requirements, and the relevant work experience of CFA members all ensure a high level of proficiency for Canadian CFA charterholders in this area. We also believe the CFA code of ethics and standards of conduct are important in going beyond mere proficiency in safeguarding the interests of investor clients.

CFA Institute supports a best interest duty on the part of individuals and firms who provide personalized investment advice to investors. Many aspects of CFA Institute's Standards of Professional Conduct (together with the Code of Ethics, the "Code and Standards") describes the duties members owe to their clients. For example, included in Standard III.A. is a duty of loyalty, prudence and care. All members annually must attest to upholding this and every other part of the Code and Standards. In addition, CFA Institute maintains a disciplinary conduct and hearing panel that form part of its disciplinary procedure to maintain integrity in the profession. As a result, we believe the CFA designation would meet the credential recognition standards.

1.3. What impact would the requirement to hold a recognized credential have on individuals currently operating as financial planners in Ontario?

While there might be some initial pushback from individuals currently acting as financial planners, we believe the long-term benefits are important. The requirement to hold a recognized credential would help establish integrity and trust in the entire sector, and lead to significant protection for consumers of financial planning services and products. The ultimate result could be improved financial health for financial consumers in the province.

1.4. What impact would the requirement to hold a recognized credential have on internationally-trained professionals that relocate to Ontario and wish to operate as financial planners?

We believe it is important that all persons providing financial planning advice be subject to the same standards if they provide advice in Ontario. The CFA designation is a global designation that is fully transferable around the world. A holder of these credentials would not have any challenges with respect to credential recognition if they relocated to Ontario.

1.5. Are there any particular foreign credentials that would meet the proposed credential recognition standards? If so, please also provide the name of the credentialing organization.

CFA Institute has more than 155,000 members in 165 countries, including more than 148,900 CFA charterholders and 149 member societies. Education is the foundation of professional competence. We develop future investment management professionals through our credentialing program that requires the application of technical knowledge and an appropriate ethical framework to guide decision making. We further equip and support members with professional development programs, so they can better serve their clients and further develop their professional careers.

1.6. What would constitute an appropriate transition period to allow individuals operating as financial planners in Ontario to attain a recognized credential once the proposed framework has been implemented?

While the transition period should be flexible enough to ensure clients have access to financial services and does not create an advice gap, a quick implementation and short transition period will assist with investor protection. We believe a period of between 18-36 months would be appropriate.

1.7. Do you believe that the proposed credential requirement for financial planners would benefit consumers of financial planning services? If not, how would you alter the framework to improve consumer protection?

As noted above, we do agree that it is important that all persons holding themselves as a being a financial planner be subject to the same standards. As noted in prior comment letters, ideally these credentials would be bestowed by existing regulatory bodies using existing credentials. However, we also consider the other key issues in protecting end-users of financial planning services to be the establishment of an overall best interest standard of care and the elimination of compensation-driven conflicts of interest. Any licensing or registration that does not directly deal with these central issues will be of little benefit to the end-users of financial planning services.

2.1. Is the proposed list of prohibited titles appropriate? Why or why not? Would you add any titles to the list? Would you remove any titles from the list?

Please see our response to #2.2 below.

Restricting use of the word “planner” in conjunction with financial service descriptions only partially addresses the potential for gaps that could be subverted by using synonyms. Our preference is for a definition of “financial planning” to encompass those providing financial advice more easily.

2.2. Is the proposed general prohibition on the use of other misleading titles appropriate?

We agree that a general prohibition on the use of misleading titles is appropriate, and in fact would be counter-productive to attempt to regulate all individual titles. If, for example, “retirement specialists/advisers” were not covered as a prohibited title, it would create even more investor confusion. Regulation of certain titles would just invite those who wish to avoid the regulatory requirements to invent new titles not covered by the rules.

2.3. How should the use of the title “Financial Adviser” or “Financial Advisor” be treated under the proposed framework outlined in this paper?

We strongly agree that regulatory limitations on the use of the title “financial adviser” or “financial advisor” should be in place, particularly as the term “adviser” generally connotes an adviser registered by a securities regulatory body. Such terms connote a high standard of care on the part of those using them, often not supported by the regulations they are (or are not) required to follow. Similarly, the inflated use of credentials and professional designations can provide unwarranted comfort to investors about the professional capabilities and training of their advisors/planners. In addition to regulating the use of titles, we believe it is important for investor protection to also educate investors with respect to the qualifications and experience required for various designations.

2.4. Prohibited titles would need to be reviewed on a periodic basis to ensure the list remains current and appropriate. What would you consider to be an appropriate review period?

We believe that the review should be completed at least every two years but may need to be more frequent based on industry developments and market participant behavior.

3.1. What information should be included on the central database?

We support a central registry as useful for investors. A number of disparate databases currently exist and a central database with some collaboration could

capture the information already in these other databases so as to bring together relevant information for consumers. Currently, the Canadian Securities Administrations, IIROC, CPA Ontario, and the law societies all have lists which include individuals who may be advising clients on financial matters. A one-stop resource of this type could minimize the potential for investor confusion and maximize the potential for investor use to review the history of their planners and advisers.

Public consumer protection databases should take advantage of open infrastructures and potentially include API connectivity to maximize usefulness. This way, third parties could include consumer protection information on their app or websites which is especially useful in the platform economy.

3.2. Do you foresee any specific concerns with the creation or maintenance of a central database?

We would caution that since professional reputations are of paramount importance, and trust is the foundation of the advisor-client relationship, any public record disclosing the status of credentials and disciplinary record should be based solely on formal proceedings that have resulted in professional sanctions. Ensuring the accuracy of such a registry across multiple professional bodies in the financial sector can be complex. As a result, cross industry consultation and meetings to design and implement the registry would be warranted. In addition, investor education with respect to the need to do additional due diligence on potential advisors will be important, as investors will need to understand where they can check background information, how to get the information and what certain disciplinary actions really mean.

4.1. The government is committed to strengthening consumer protection while supporting innovation and growth in the financial services sector. In recent years, there has been rapid growth in the creation and provision of technological innovations related to financial planning. Would the proposals outlined in this consultation paper impact the creation and provision of these more innovative aspects or kinds of services? If so, how?

We do not believe the proposals specifically outlined in the Consultation impact the creation of innovative kinds of services. It is important to note; however, that regulation should be risk and principle-based, technologically neutral and flexible, and it will be important for the government to remain close to consumers to limit the impact of the current uncertainty related to the Fintech industry and products. While regulation should remain principle-based, consumers of financial planning advice should expect reasonably consistent results regardless of the delivery channel.

Concluding Remarks

We thank you for the opportunity to provide these comments. We would be happy to address any questions you may have and appreciate the time you are taking to consider our points of view. Please feel free to contact us at cmay@cfacanada.org on this or any other issue in future.

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Appendix – Questionnaire for Credentialing Bodies

If you are an existing credentialing body, please provide the following information:

General Information

1. How many members do you have in Canada?

There are 18 446 CFA charterholders in Canada

2. How many members do you have in Ontario?

There are 10 851 CFA charterholders in Ontario

3. Please list the credential(s) provided by your organization.

- Chartered Financial Analyst (CFA)
- Certificate in Investment Performance Measurement (CIPM)
- Investment Foundations (IF)

Membership Information

4. In Ontario, what percentage of your members are not registered and/or licensed under either Financial Services Commission of Ontario (FSCO) or the Ontario Securities Commission (OSC)?

The vast majority of our members are regulated by either the Ontario Securities Commission or by IIROC.

5. Does your organization focus on financial planning? If yes, please provide an explanation.

Yes, the CFA program focuses on all aspects of investment management, including financial planning.

6. Are members required to renew their membership on a periodic (e.g., annual) basis?

Yes, membership must be renewed annually.

Compliance and Disciplinary Information

7. Compliance Monitoring

a. Do you have a process to monitor compliance with your code of ethics or standard of conduct?

Yes. Each year, as part of the membership renewal process, every member must complete a Professional Conduct Statement to disclose any potential violations of CFA Institute's Code and Standards of Professional Conduct.

- b. **Do you conduct compliance reviews? No. If yes:**
- i. **How many have you conducted in the past 3 years? N/A**
 - ii. **Do you ever review the “financial plans” prepared for clients by your members? No.**
 - iii. **What tools do you have to deal with issues identified during compliance reviews? N/A**

8. Disciplinary Procedures

CFA Institute’s Professional Conduct Program is available on our website through the following link:

[Professional Conduct Program](#)

Further information on the program can be found in the following appendices:

[CFA Institute Rules of Procedure: Matters Related to Professional Conduct](#)

[CFA Institute Rules of Procedure: Exam-Related Conduct](#)

c. How do you handle complaints about your members?

Do you have a disciplinary process? Yes. If yes:

- i. **Please briefly explain your disciplinary process.**

The Bylaws of CFA Institute and the Rules of Procedure form the basic structure for enforcing compliance with the Governing Documents. CFA Institute believes that Covered Persons are presumed to be in compliance with the Governing Documents unless and until proved otherwise, and is committed to providing a fair, efficient, and effective disciplinary process. Throughout the disciplinary process, CFA Institute staff, Covered Persons and their representatives, and members of the Disciplinary Review Committee and Board of Governors must follow the Rules of Procedure.

The disciplinary process is a multilevel peer review process governed by CFA Institute’s Bylaws and Rules of Procedure for Professional Conduct. These documents provide guidance for conducting investigations into allegations, determining violations, imposing sanctions, conducting disciplinary proceedings, and disclosing violations.

- ii. **How are disciplinary proceedings initiated?**

Possible violations of the Governing Documents come to the attention of Professional Conduct through many sources, including self-disclosures, third-party tips and complaints, and publicly available information. Professional Conduct may open an investigation of any matter involving, or appearing to involve, the professional conduct or activities of a Covered Person, regardless of the source of the information.

iii. Do you have an investigatory process? Yes. If yes, please briefly explain.

Alleged violations of the code and standards are investigated according to CFA Institute's Bylaws and Rules of Procedure for Professional Conduct. The Professional Conduct Program investigates both exam- and industry-related conduct.

Exam-related conduct — Any activity or conduct related to participation in CFA Institute programs and any conduct that could compromise the reputation, integrity, validity, or security of the exams.

Industry-related conduct — Any activity or conduct, excluding exam-related conduct, governed by the Code of Ethics and Standards of Professional Conduct.

A notice of investigation will be sent to a Covered Person who becomes the subject of an investigation by Professional Conduct. The notice of investigation will include information as to where the Rules of Procedure can be found.

As part of an investigation into a Covered Person's conduct, Professional Conduct is authorized to contact any person or entity that it believes may be able to provide relevant information, documents, or assistance in an investigation. Professional Conduct may request and obtain information, documents, and assistance from the Covered Person, regulatory authorities, clients, employers, public records, and any other sources. In making a request to any person or entity, it may be necessary for Professional Conduct to identify the Covered Person and/or the conduct or allegations under investigation.

What are the possible outcomes of this process?

1. The member or candidate may propose to permanently resign his or her CFA membership and or permanently withdraw from further participation in CFA Institute's Exam Programs during an investigation or Disciplinary Proceedings under the Rules of Procedure.

2. Closing and Investigation: Professional Conduct may determine that there is no evidence or insufficient evidence of a violation.
3. Statement of Allegations: If Professional Conduct believes there is sufficient evidence of a violation of the Governing Documents, Professional Conduct may, at its discretion, provide the Covered Person with a Statement of Allegations. The purpose of the Statement of Allegations is to inform the Covered Person of the preliminary findings of the investigation and to allow the Covered Person a final opportunity to respond and present his or her position before Professional Conduct determines whether to proceed with a Statement of Charges.
4. Statement of Charges: If Professional Conduct determines, upon consideration of the evidence and, if applicable, the Covered Person's response to the Statement of Allegations, that it is more likely than not that the Covered Person committed a violation of the Governing Documents and a disciplinary sanction is warranted, Professional Conduct will provide the Covered Person with a Statement of Charges

iv. Who are the decision makers?

The disciplinary process is a multilevel peer review process which consists of volunteer CFA charterholders from around the world.

d. Do you have a disciplinary hearing process? Yes. If yes:

i. Please briefly explain your hearing process.

Review Panel;

If the Covered Person accepts the Statement of Charges, or fails to reject the Statement of Charges within the time provided, and the recommended sanction is a Censure, Suspension, Revocation, or Prohibition, the findings of fact, conclusion as to violation(s), and recommended sanction(s) will be deemed accepted by the Covered Person and Professional Conduct will refer the matter to a Review Panel.

The Review Panel will meet outside the presence of the Covered Person and Professional Conduct. The Review Panel will be provided with the Statement of Charges as well as the Covered Person's response, if applicable. Professional Conduct may submit additional documents and information to the Review Panel with the Covered Person's consent or waiver.

If the Covered Person accepts the Statement of Charges, or fails to reject the Statement of Charges within the time provided, and the recommended sanction is a Private Reprimand, the findings of fact, conclusion as to violation(s), and recommended sanction will be deemed accepted by the Covered Person and the matter will be considered final without the need of a Review Panel.

Hearing Panel:

If a Covered Person (or Review Panel) rejects the Statement of Charges, the matter will be referred to a Hearing Panel. Hearings will be conducted by telephone conference call, video conference (if practical), or through written submissions. If the recommended sanction is a Suspension, Revocation, or Prohibition, the Covered Person may request an in-person hearing. However, only those Covered Persons that have earned the CFA, FSIP, ASIP, and/or CIPM professional designations are eligible for an in-person hearing. Any requests for an in-person hearing must be received by the Hearing Panel Administrator, in writing, at the time of the Covered Person's rejection of the Statement of Charges (or within 7 days of notification of the Review Panel's rejection of the Statement of Charges).

ii. Who are the decision makers?

The DRC is a volunteer committee of CFA Institute members established by CFA Institute's Board through the Bylaws

Are the hearings public? No.

iii. Please provide examples of the results of your disciplinary hearing process.

Examples of disciplinary hearing process can be found on CFA Institute's website under [Sanctions and Statistics](#) .

The [Disciplinary Sanctions Guidelines](#) describe the guiding principles, key factors and considerations, conduct-specific factors, and types of aggravating/mitigating factors that Professional Conduct and Hearing Panels typically consider in determining disciplinary sanctions for violations of CFA Institute's Code of Ethics and Standards of Professional Conduct in industry-related cases.

e. Are your disciplinary decisions public? Yes.

i. What disciplinary action can you take against your members? (For example, can you suspend or revoke the credential, impose terms and conditions, impose fines and/or issue cautionary letters?)

Sanction types are based on the Rules of Procedure for Professional Conduct (Rule 1.6) and include:

Private Reprimand: An admonishment in writing where the Notice of Disciplinary Action includes only the conduct, excludes the Covered Person's identifying information, and will not be disclosed to third parties upon request.

Censure: Previously referred to as Public Censure. An admonishment in writing where the Notice of Disciplinary Action will include the conduct, may include the Covered Person's identifying information, and will be disclosed to third parties upon request.

Suspension of Membership: Covered Person's memberships in CFA Institute and member societies are terminated for a specified period of time.

Suspension of the Right to Use the CFA Designation: Covered Person's memberships in CFA Institute and member societies, as well as the right to use the CFA designation, are terminated for a specified period of time.

Revocation of Membership: Covered Person's memberships in CFA Institute and member societies are permanently terminated.

Revocation of the Right to Use the CFA Designation: Covered Person's memberships in CFA Institute and member societies, as well as the right to use the CFA designation, are permanently terminated.

Summary Suspension: Covered Person's membership in CFA Institute and/or member societies and/or the right to use the CFA designation and/or participate in the CFA Program is automatically terminated.

Suspension from Participation in the CFA Program: Covered Person's participation in the CFA Program is terminated for a specified period.

Prohibition from Participation in the CFA Program: Covered Person is permanently barred from participation in the CFA Program.

ii. Is there an appeal process for your disciplinary decisions? If yes, please briefly explain.

Yes, the Covered Person may request an appeal of the Hearing Panel's decision, if the Hearing Panel imposes a suspension of membership, suspension of the right to use the CFA designation, revocation of membership, revocation of the right to use the CFA

designation, or a prohibition from participation in a CFA Institute Exam Program. The request must be made in writing to the Hearing Panel Administrator and Professional Conduct within 28 days of the date of the Hearing Panel decision letter.

Along with the request for appeal, the Covered Person must simultaneously provide a written submission for the Appeal Panel's consideration stating the relevant facts and reasons why the Hearing Panel erred in its findings of fact or conclusion as to violation(s) and/or why the sanction(s) imposed is unfair.

The Appeal Panel must determine whether there was a clear and material error in the findings of fact or conclusion as to violation(s) and/or whether the sanction(s) imposed was unfair.

The decision must be made by at least three Appeal Panelists. The decision of the Appeal Panel will be determined by a simple majority vote. The Appeal Panel Chair will issue a written decision as to whether there was a clear and material error in the Hearing Panel's findings and whether the sanction imposed by the Hearing Panel is unfair. The Appeal Panel may at its discretion impose no sanction, the same sanction imposed by the Hearing Panel, a lesser sanction, or a greater sanction.

The Appeal Panel decision will be provided to the Covered Person and Professional Conduct within 35 days after the hearing. The decision of the Appeal Panel is final.

f. How many complaints about your members have you received in the past 3 years?

In the past three years, we have received 253 complaints regarding CFA Institute members and candidates in the CFA and CIPM exam programs. In compiling data on complaints, we do not distinguish between members and candidates

g. Of the reviews you have conducted and/or the complaints you have received within the past 3 years:

i. How many have resulted in the initiation of disciplinary proceedings?

Six of the complaints resulted in disciplinary hearings.

ii. How many have resulted in:

1. The suspension or revocation of a member's credential?

None of the complaints have resulted in revocation of membership or charter.

2. Another form of disciplinary action being taken against an individual?

Three of the six complaints were regarding candidates. They all resulted in Prohibitions from participating in the CFA exam program. The other three complaints involve members and are the subject of pending investigations.

Credential Information

For each credential listed in Question 3:

9. Does the credential have an education or course requirement? If yes, please provide a copy of the course syllabus.

Here are the links to CFA Institute's 2018 Program Curriculum for [Level I](#), [Level II](#) and [Level III](#).

h. Does the credential have an examination requirement? Yes If yes, what are the examination requirements?

Yes. Obtaining the CFA charter requires (among other things) passing three – six hour examinations. These examinations are conducted at test centers around the world. The Level I exam is offered in December and June of each year. The Levels II and III exams are only offered in June.

10. Does the credential have a code of ethics or standard of conduct? Yes.

a. If you have a code of ethics, please provide a copy.

b. How do you assess whether a member is following the code of ethics?

Each year, as part of the membership renewal process, every member must complete a [Professional Conduct Statement](#) to disclose any potential violations of CFA Institute's Code and Standards of Professional Conduct. In addition, the CFA Institute Professional Conduct Program has the authority to investigate complaints against our members, and to take disciplinary steps as needed.

c. If you have a standard of conduct, please provide a copy. Yes

d. How do you assess whether a member is meeting the standard of conduct?

Same as "b." [Professional Conduct Statement](#)

11. Does the credential have a continuing education requirement?

While our continuing education program is voluntary, CFA Institute's Code of Ethics and Standards of Professional Conduct also imposes a requirement on members to maintain and improve their professional competence.

e. Please provide a description.

We recommend to members that they undergo 20 hours of CPD, including two hours in standards, ethic and regulations.

f. How many hours of continuing education or professional development are required per year?

We recommend 20 hours of CPD, including two hours in standards, ethic and regulations.

g. What action do you take if a member does not meet the continuing education requirement?

CFA Institute's Code of Ethics and Standards of Professional Conduct imposes a requirement on members to maintain and improve their professional competence. They could be found in violation of the code if they do not meet this duty.

12. What is the minimum length of time in which an individual can acquire your credential(s)?

The three levels of the CFA exam can be completed in two and a half years. Earning the CFA charter also requires four years of professional work experience. Professional work experience obtained prior to taking the examinations can count towards meeting the professional work experience requirement.

13. What is the cost to acquire the credential?

New CFA Level I candidates must pay a one-time enrollment fee of USD450. The standard registration fee for each level of the CFA exam is USD950. The late registration fee is USD1380.

Are there ongoing fees payable by members? Yes. If so, how much are these fees, how often must they be paid and how are they set?

Annual membership fees set by CFA Institute are currently USD275.

14. Can holders of your credential be accredited by more than one organization?

Yes, in fact the vast majority of our members are regulated by either the Ontario Securities Commission or by IIROC. Additionally, some members have acquired other professional designation.