

# **New coalition focused on national standards for financial planning**

## **Statement of principles sets foundation for stakeholders to work together**

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By Megan Harman

Five financial planning organizations have banded together to form a coalition that will work to establish a common set of national standards for financial planners.

The Coalition for Professional Standards for Financial Planners was recently launched by five member organizations: the Canadian Institute of Financial Planners, the Financial Advisors Association of Canada (Advocis), Financial Planning Standards Council, the Institute of Advanced Financial Planners and the Institut québécois de planification financière.

The coalition aims to create professional standards and oversight for any individuals who hold themselves out as financial planners. Currently, financial planning credentials in Canada are voluntary, with the exception of Quebec. Elsewhere in the country, anyone can claim to be a financial planner without meeting requirements for qualifications or professional oversight.

As a result, the coalition argues, Canadians have no reliable way of identifying financial planners who are qualified, competent and held to an ethical standard.

"Canadians need an objective and more reliable way of distinguishing between those who falsely claim qualifications as a financial planner and those who have met proven standards of competence and ethical duty," said Keith Costello, president of CIFPs. "Until this occurs, the Canadian public is left with confusion on how to navigate their decisions when choosing a financial planner and with no recourse if their planner falsely represents their qualifications."

The first act of the coalition was to develop a statement of principles, which sets the foundation for its work in establishing national standards. The statement of principles states that anyone in Canada who holds themselves out to the public as a financial planner or claims to provide financial planning services must meet approved professional standards related to education, experience, examination, ethics and professional duty of care, and must be accountable to professional oversight.

While the statement of principles is not meant to be exhaustive, according to the coalition, it provides a foundation for stakeholders to work together towards establishing national standards that better serve and protect the public when engaging financial planners.

The coalition is urging all stakeholders to help establish national standards for financial planning.

"All professionals such as lawyers, accountants, doctors, must meet minimum standards of proficiency, ethical conduct and accountability. Why shouldn't financial planners be held to similar standards?" said Greg Pollock, president and CEO of Advocis. "Until Canada raises the bar on standards for financial planners the public will not be amply protected from unqualified individuals who claim to be qualified when they are not."

Commented Cary List, president and CEO of FPSC, "Canadians should not have to guess if they are making the right choice when choosing a financial planner."

Added List: "We look forward to a day when all Canadians who engage financial planners can be assured that there are national standards in place."

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