

A YEAR IN REVIEW



2016 may well be remembered as the year that the financial services industry joined the digital information age.

Partly as a result of regulatory change, partly digital disruption and partly growing consumer awareness, 2016 saw exponential acceleration of the industry's evolution from a product-centric to a professional business, where the role of the human advisor vis-à-vis technology is in the advisor's ability to take a holistic view of the client, provide an unwavering commitment to professional ethics, and in their ability to provide the non-technical professional skills that technology can't deliver.

In this environment of evolution and change, I'm pleased to report on a number of initiatives that FPSC undertook this past year to ensure CFP® certification and the financial planning profession are more relevant than ever.

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PUBLIC POLICY IN THE PUBLIC INTEREST

We know that the current regulatory environment leaves consumers confused and at risk. Most Canadians don't understand the differences in proficiencies and qualifications among those who claim to offer financial planning services, and aren't readily able to identify an appropriate individual to provide them with the type of financial help that they need. Among FPSC's highest priorities in 2016 was to work with governments, regulators and industry stakeholders across the country to find ways to break down the confusion and better safeguard consumers.

Throughout 2016, FPSC took part in consultations and provided extensive feedback to the **Ontario government's Expert Committee to Consider Financial Advisory and Financial Planning Policy Alternatives**. The Expert Committee released its preliminary policy recommendations in April. Some of the key recommendations included regulating individuals who provide financial planning services, restricting the "Financial Planner" title and establishing a central registry for consumers.

In response to the Expert Committee's recommendations, FPSC proposed an accredited professional body model for financial planning. Our proposal would see the newly formed Ontario Financial Services Regulatory Authority (FSRA) assume authority for accrediting a professional body for financial planning. The professional body would then be responsible for oversight of individuals authorized to use the "Financial Planner" title, and for granting the corresponding financial planner designation. FPSC would welcome the opportunity to become such an accredited body.

We look forward to working with the Ontario government to implement such a solution to best protect consumers.

FPSC's policy activities in 2016 also included participating in discussions on **[CSA Consultation Paper 33-404: Proposals to Enhance the Obligations of Advisers, Dealers and Representatives Toward Their Clients](#)**. In addition to our written submission, FPSC took part in in-person roundtable discussions in Ontario, Alberta and British Columbia.

FPSC also **met with government representatives and regulators in New Brunswick, Nova Scotia, Ontario, Manitoba, Alberta and British Columbia**. Discussions centred around raising awareness about financial planning and CFP certification, and the need to protect Canadians by ensuring all those who use the title or hold out as a “Financial Planner” are qualified, overseen by a duly qualified professional body, and accountable for their professional conduct. FPSC made significant headway and developed strong relationships with policy-makers in a number of these provinces, and we look forward to returning to these and other areas of Canada to build on this momentum in the coming year.

SETTING AND ENFORCING STANDARDS TO STRENGTHEN CONSUMER PROTECTION

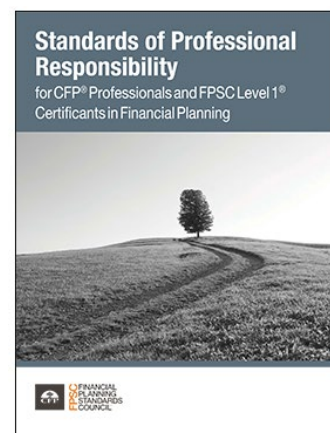
A total of 721 candidates successfully completed the FPSC Level 1® Examination in Financial Planning in 2016, while 589 individuals passed the CFP examination, and a total of 511 individuals became newly certified CFP professionals. There are close to 17,000 CFP professionals and more than 2,000 FPSC Level 1 certifiants now serving Canadians from coast to coast.

We believe that agreements between regulators and professional-oversight bodies strengthen consumer protection and ensure more efficient and effective oversight. As part of FPSC’s ongoing commitment to the highest standards and ethical conduct, **FPSC and the Insurance Council of British Columbia (ICBC) signed a Memorandum of Understanding (MOU)** that leverages each organization’s enforcement processes to provide more effective oversight and strengthen consumer protection in British Columbia. Under the MOU, FPSC and the ICBC share information about upcoming hearings and disciplinary outcomes involving individuals who are dually certified and licensed by FPSC and the ICBC, respectively. FPSC is committed to engaging with other professional-oversight bodies, regulators and SROs and to working cooperatively with such entities to leverage our respective expertise.

FPSC has also entered into **information sharing agreements with a number of education partners** providing FPSC-Approved Core Curriculum Programs and FPSC-Approved Capstone Courses. These agreements detail the terms and conditions of the exchange of information between education providers and FPSC, relative to findings of academic misconduct, and support FPSC’s commitment to ensuring that CFP professionals and FPSC Level 1 certifiants meet the high ethical standards expected of FPSC certifiants.

Following extensive consultation with a variety of stakeholders, this year we introduced **Guidance to a number of the FPSC® Rules of Conduct** contained in the *Standards of Professional Responsibility for CFP Professionals and FPSC Level 1 Certifiants in Financial Planning*. The Guidance illustrates the professional obligations of CFP professionals and FPSC Level 1 certifiants by clarifying the scope and application of various Rules and providing insight into how the Rules may be interpreted by FPSC enforcement staff and by FPSC Hearing Panels, subsequent to a complaint.

FPSC and Institut québécois de planification financière (IQPF) **updated the unified Projection Assumption Guidelines**, which aid financial planners in making long-term financial projections that are free from potential biases or predispositions. Developed in 2015 by a committee of actuarial and financial planning professionals and updated annually, the *Projection Assumption Guidelines* continue to receive significant media interest from both trade and consumer media outlets. In response to requests from the financial services industry and CFP professionals, an Addendum will be released in February 2017 that provides support for guidelines for inflation and rates of return of all asset classes.



FPSC enhanced its governance structure in 2016 to maintain the continued rigour, efficiency and relevance of FPSC's work and a better alignment of responsibility and accountability. Among the key changes was the creation of an independent Standards Panel, composed of financial planners and members of the public, to oversee all financial planning standards. The Panel will help ensure the highest standards in the financial planning profession, for the benefit of the public.

As the financial services landscape continues to evolve, FPSC is working to ensure that the knowledge and competence of FPSC certificants remain current and relevant, today and into the future.

To keep pace with technology and the changing needs and expectations of Canadians, we have begun a reassessment of the knowledge, skills and abilities that financial planning professionals need to best serve their clients.

In 2017, FPSC will release a **revised and revalidated CFP Professional Competency Profile**, which will include the largest change in professional skills since the *Competency Profile* was launched in 2006. We will also launch a comprehensive **Financial Planning Body of Knowledge**, a resource that delineates between the knowledge expectations of CFP professionals and FPSC Level 1 certificants and that includes not only technical financial planning, but knowledge of human behaviour, critical thinking and decision making. These resources will shape the future of financial planning education and certification, and will help level set expectations for educators, employers and consumers alike.

RAISING AWARENESS: HELPING CANADIANS ACHIEVE WELL-BEING THROUGH FINANCIAL PLANNING

The past year included a record number of initiatives to raise public awareness of the importance of financial planning with a qualified professional, helping Canadians get the right advice from the right person to achieve well-being.

We're pleased to be working with personal finance educator and author Kelley Keehn in the new role of **FPSC Consumer Advocate**. Since joining FPSC in this capacity, Kelley has been interviewed more than 100 times by a variety of media about FPSC research, the importance of getting professional financial planning help and how to find a qualified planner.

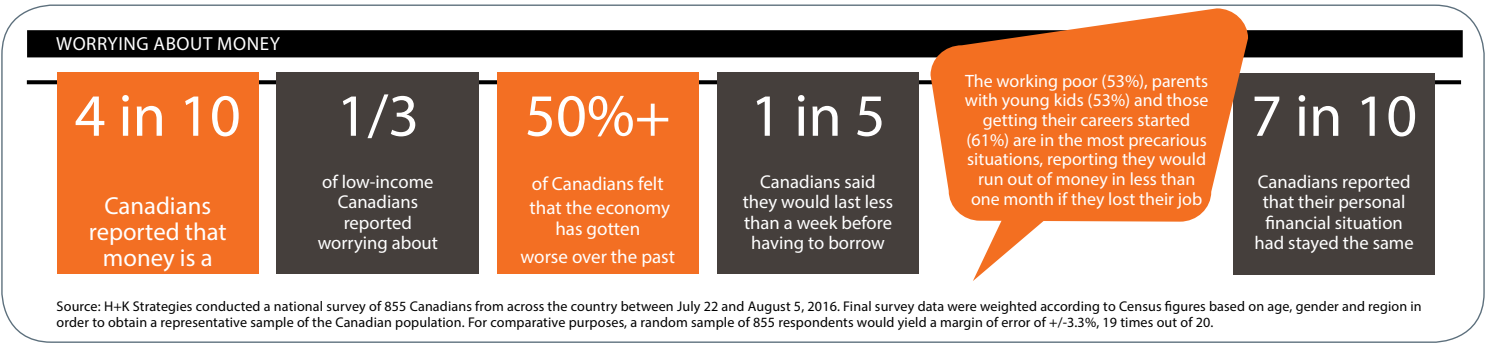
FPSC's consumer website, **FinancialPlanningforCanadians.ca**, continues to grow in breadth of content and volume of visitor traffic. 2016 saw the release of a **video series** featuring expert interviewees that help viewers understand the process and benefits of financial planning with a qualified professional. The site, which is frequently referred to in the media as a resource, contains almost 100 articles and videos (and growing) and has received over 60,000 visits in the past year. The site's content prominently features FPSC's **FindYourPlanner.ca** search tool as a resource.

Life's Better with a CERTIFIED FINANCIAL PLANNER® Professional, a video based on research commissioned by our global membership body, Financial Planning Standards Board (FPSB), in partnership with FPSC in Canada, shows the positive difference that working with a CFP professional can make to various aspects of consumers' financial lives. This and FPSC's many consumer videos are regularly featured across social media.



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This past Fall, FPSC released the [Canadians and Their Money survey](#), revealing that more than 40% of Canadians say they would only have enough money to continue paying their living expenses for four weeks or less if they lost their job or other main source of income and 19% say they could only do that for one week. The research findings were covered in 57 media outlets throughout the country for a total of 8.6 million impressions. Much of the coverage featured FPSC's Consumer Advocate Kelley Keehn, who reinforced the importance of getting financial planning help from a CFP professional and accessing the consumer resources available through FPSC.



FPSC recently updated and expanded the [Marketing Toolkit for financial planning professionals](#), providing videos, presentations, research results and other information to assist clients in understanding the value of financial planning, how planning can help navigate through every stage of life, and the importance of working with a CFP professional.

FINANCIAL PLANNING WEEK 2016

Take the next step • Allez plus loin

FINANCIAL PLANNING WEEK 2016

SEMAINE DE LA PLANIFICATION FINANCIÈRE

Financial Planning Week featured a campaign to raise consumer awareness about the benefits of financial planning and the importance of working with a qualified financial planning professional. In addition to the [Canadians and Their Money](#) research, this year's campaign included [The Globe and Mail Financial Planning special feature](#) (print and digital editions), a digital advertising campaign using Google AdWords and Facebook, in conjunction with an advertising campaign in *Zoomer* magazine, for a total of more than 4.1 million impressions.

Both of FPSC's consumer websites experienced their highest ever traffic in 2016. Our "Find a Planner or Certificant" search tool had almost 200,000 page views, and there were more than 66,000 sessions on the [FinancialPlanningForCanadians.ca](#) consumer website.

We were pleased to welcome a record 1,100 delegates with representatives from more than 250 firms to **FPSC-hosted Financial Planning Week 2016 events**, which included the CFP Professional Symposium: Distinction That Matters in Toronto and Vancouver, Ethics Breakfast sessions in Toronto and Vancouver, and Celebration of the Profession Dinner in Toronto, featuring keynote speaker Maureen Jensen, Chair and CEO of the Ontario Securities Commission. These sold-out events were attended by stakeholders from throughout Canada, with representation from Ontario, Quebec, British Columbia, Alberta, and Manitoba.

Following the demand for the Financial Planning Week Ethics Breakfast sessions and the need for qualifying CE in the Professional Responsibility category, FPSC will be rolling out **FPSC's Cross-Country Connection** in spring 2017. Taking place in Vancouver, Calgary, Toronto and Halifax, these events will promote the high ethical standards to which FPSC certificants attest. Watch for more details in the coming weeks.

In conjunction with IQPF, we also launched the first national **Financial Planning Week logo and tagline**, "Take the next step" / "Allez plus loin". This new visual identity was used on all Financial Planning Week materials by the many stakeholders involved in this important week for Canadians. The bilingual logo and tagline reflect Financial Planning Week's truly national scope and growth since its inception in 2009.

We encourage you to join us for Financial Planning Week 2017, taking place November 19-25, 2017.

FOCUS ON RESEARCH SUPPORTS COMPLEX CLIENT NEEDS

As client situations become more and more complex, the need for quantifiable, proven information continues to grow. Research is of paramount importance to confirm that current knowledge is scientifically valid and that new standards of practice are propelled by emerging knowledge.

Global research in financial planning and related disciplines will be highlighted at an **Academic Research Colloquium for Financial Planning**, taking place in Arlington, Virginia in February 2017. The Colloquium will be hosted by the CFP Board Center for Financial Planning in the US, in cooperation with FPSC and FPSB. A first-of-its-kind international meeting place for cross-disciplinary collaboration and sharing of rigorous, peer-reviewed research, this gathering of the global academic community and financial planning industry leaders is unique in its scope. Recognizing that financial planning is a holistic process and that a professional planner must possess a broad range of knowledge, skills and abilities to consider the complete picture of a client's overall situation, the Colloquium will include research on subjects including behavioural finance, psychology and sociology, as well as more traditional aspects of financial planning.

FPSC and the **Financial Planning Foundation**, of which FPSC is a founding and contributing member, have a strong and growing focus on the research that will enable financial planners to most effectively help Canadians achieve financial well-being. Over the past year, activities at the FP Foundation have intensified, with new partnerships with York University and CPA Canada and the development of a newly constituted Research Committee that will challenge current practices in financial planning and provide evidence-based behavioural research to motivate action and change in clients' best interests, ultimately best serving clients. **We produced a film that speaks to some of the past, current and future research we will be undertaking.**



Behavioural and wealth considerations for seeking professional financial planning help, research funded by the FP Foundation and carried out at Toronto's York University in 2015, was recently published in the *Financial Services Review*, the Journal of Individual Financial Management and the official publication of the Academy of Financial Services. The study revealed that financial stress alone is not enough to motivate someone to seek financial help. Instead it is

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self-efficacy—a person’s belief in their ability to succeed by achieving a desired outcome—that is a consistent and strong predictor of help-seeking behaviour. The researchers offered specific suggestions that CFP professionals can use to increase the likelihood of clients not only resourcing the help they need, but acting upon the advice they are given.

CONTRIBUTING TO EXCELLENCE IN FINANCIAL PLANNING

Throughout the year, more than 200 CFP professionals and FPSC Level 1 certificants generously volunteered their expertise and passion to a wide range of important activities, including serving on Board Committees and Panels, developing and scoring exams, sharing experiences and advice with potential FPSC certificants, and speaking with local government officials and the media to ensure that financial planning and FPSC’s work in the public interest is well represented. Thanks to each of them for their significant contributions and ongoing commitment to excellence in financial planning.

As we look ahead to 2017, CFP professionals and FPSC Level 1 certificants will play a more important role than ever in helping Canadians gain control of their finances, reducing financial stress and ultimately achieving financial and emotional well-being.

As the digital information age continues to evolve, technology and the digital revolution are changing every profession, including financial planning. Digital platforms for portfolio selection and rebalancing are competing for space with human investment advisors, making professional skills ever more critical if the financial planning profession is to stay relevant. All of this bodes well for CFP professionals and FPSC Level 1 certificants, whose “value add” has always included taking a holistic view of their clients’ overall situation.

Looking forward, FPSC is focused on working with industry to understand the needs of their businesses, with planners to understand their practices and their clients’ expectations, with consumers’ groups, and with regulators to shape future CFP professionals and FPSC Level 1 certificants so they continue to play a lead role in safeguarding and enhancing the well-being of the Canadians they serve.

It’s been a remarkable year and I look forward to yet another exciting and productive year for FPSC and for the financial planning profession in 2017. On behalf of FPSC staff and our volunteer Board of Directors, I thank all of you who have contributed so much to the profession this past year and offer you my very best wishes for a happy and healthy 2017.

Yours truly,



Cary List, CPA, CA, CFP®
President & CEO,
Financial Planning Standards Council



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