

CFP BOARD

**DUTY TO REPORT INFORMATION
TO CFP BOARD AND
DUTY TO COOPERATE WITH
CFP BOARD INVESTIGATIONS**

CODE OF ETHICS AND STANDARDS OF CONDUCT

CFP Board's new *Code of Ethics and Standards of Conduct* expands a CFP® professional's Duty to Report information to CFP Board and Duty to Cooperate with CFP Board investigations. These duties are critical features of CFP® certification that enable CFP Board to uphold the high standards of competency and ethics set forth in the *Code and Standards* and maintain the integrity of the CFP® certification marks.

DUTY TO REPORT

The Duty to Report information to CFP Board applies both to the initiation and the conclusion of the reportable matter that concerns a CFP® professional's conduct, as set forth below. A CFP® professional must provide written notice to CFP Board within thirty (30) calendar days of both the initiation and conclusion of the reportable matter, and include a narrative statement that accurately and completely describes the material facts and the outcome or status of the reportable matter. CFP Board has established an online reporting form that is located at CFP.net/ethics/reporting. Thereafter, a CFP® professional also must complete the CFP Board Ethics Declaration when renewing his or her certification. A CFP® professional may seek guidance on the Duty to Report by contacting compliance@cfpboard.org.

Bolded terms used below are defined in the attached Appendix.

General Category	Standard E.3. of the Code and Standards: The Duty to Report Applies When the CFP® Professional, or an Entity Over Which the CFP® professional Was a Control Person, Has:
Felonies & Misdemeanors	Been charged with, convicted of, or admitted into a program that defers or withholds the entry of a judgment or conviction for, a Felony or Relevant Misdemeanor .
Initiation of Regulatory Investigations/Actions	Been named as a subject of, or whose conduct is mentioned adversely in, a Regulatory Investigation or Regulatory Action alleging failure to comply with the laws, rules, or regulations governing Professional Services .
Findings in Regulatory Action	Had conduct mentioned adversely in a Finding in a Regulatory Action involving failure to comply with the laws, rules, or regulations governing Professional Services (except a Regulatory Action involving a Minor Rule Violation in a Regulatory Action brought by a self-regulatory organization).
Initiation of a Lawsuit or Arbitration Alleging Professional Misconduct	Had conduct mentioned adversely in a Civil Action alleging failure to comply with the laws, rules, or regulations governing Professional Services .
Resolutions of Lawsuit or Arbitration Alleging Professional Misconduct	Become aware of an adverse arbitration award or civil judgment, or a settlement agreement, in a Civil Action alleging failure to comply with the laws, rules, or regulations governing Professional Services , where the conduct of the CFP® professional, or an entity over which the CFP® professional was a Control Person , was mentioned adversely, other than a settlement for an amount less than \$15,000.
Initiation of Lawsuit or Arbitration Alleging Dishonest Conduct	Had conduct mentioned adversely in a Civil Action alleging fraud, theft, misrepresentation, or other dishonest conduct.
Findings of Dishonest Conduct	Been the subject of a Finding of fraud, theft, misrepresentation, or other dishonest conduct in a Regulatory Action or Civil Action .
Adverse Award or Judgment	Become aware of an adverse arbitration award or civil judgment, or a settlement agreement in a Civil Action alleging fraud, theft, misrepresentation, or other dishonest conduct, where the conduct of the CFP® professional, or an entity over which the CFP® professional was a Control Person , was mentioned adversely.

General Category	Standard E.3. of the Code and Standards: The Duty to Report Applies When the CFP® Professional, or an Entity Over Which the CFP® professional Was a Control Person, Has:
Adverse impact on License, Certification or Membership	Had a professional license, certification, or membership suspended, revoked, or materially restricted because of a violation of rules or standards of conduct.
Termination	Been terminated for cause from employment or permitted to resign in lieu of termination when the cause of the termination or resignation involved allegations of dishonesty, unethical conduct, or compliance failures.
Customer Complaint	Been named as the subject of, or been identified as the broker/adviser of record in, any written, customer-initiated complaint that alleged the CFP® professional was involved in: i. Forgery, theft, misappropriation, or conversion of Financial Assets ; ii. Sales practice violations and contained a claim for compensation of \$5,000 or more; or iii. Sales practice violations and settled for an amount of \$15,000 or more.
Bankruptcy	Filed for or been the subject of a personal bankruptcy or business bankruptcy where the CFP® professional was a Control Person .
Federal Tax Lien	Received notice of a federal tax lien on property owned by the CFP® professional.
Non- Federal Tax Lien, Judgment Lien or Civil Judgment	Failed to satisfy a non-federal tax lien, judgment lien, or civil judgment within one year of its date of entry, unless payment arrangements have been agreed upon by all parties.

DUTY TO COOPERATE

The *Code and Standards* (Standard E.5.) also expands upon a CFP® professional’s Duty to Cooperate. A CFP® professional may not make false or misleading representations to CFP Board or obstruct CFP Board in the performance of its duties. A CFP® professional also must cooperate fully with CFP Board’s requests, investigations, disciplinary proceedings, and disciplinary decisions. As described more fully in CFP Board’s *Procedural Rules* (Article 1.3), cooperation includes providing documents and information, admitting or denying facts, appearing for oral examination, and using reasonable efforts to obtain documents, information, and witness appearances from third parties.

IMPORTANCE OF SATISFYING THE DUTY TO REPORT AND THE DUTY TO COOPERATE

The Duty to Report and the Duty to Cooperate are key elements of an enforcement program that seeks to detect potential misconduct and uphold the high standards of competency and ethics set forth in the *Code and Standards*. Not every reportable matter will result in an investigation or a finding that a CFP® professional has violated the *Code and Standards*. However, a CFP® professional’s failure to report the required information to CFP Board constitutes a violation of the *Code and Standards*, even if the matter that the CFP® professional was required to report does not reveal misconduct. A failure to comply with the Duty to Cooperate also constitutes a violation of the *Code and Standards* and may give rise to an adverse inference against the CFP® professional in an enforcement proceeding that presumes the CFP® professional would have provided the documents or information if they were not unfavorable to the CFP® professional.

APPENDIX: RELEVANT DEFINITIONS

Civil Action:	A lawsuit or arbitration.
Control:	The power, directly or indirectly, to direct the management or policies of the entity at the relevant time, through ownership, by contract, or otherwise.
Control Person:	A person who has Control.
Financial Assets:	Securities, insurance products, real estate, bank instruments, commodities contracts, derivative contracts, collectibles, or other financial products.
Finding:	A finding includes an adverse final action and a consent decree in which the finding is neither admitted nor denied, but does not include a deficiency letter, examination report, memorandum of understanding, or similar informal resolution of a matter.
Felony:	A felony offense, or for jurisdictions that do not differentiate between a felony and a misdemeanor, an offense punishable by a sentence of at least one-year imprisonment or a fine of at least \$1,000.
Material:	Information is material when a reasonable Client or prospective Client would consider the information important in making a decision.
Minor Rule Violation:	A violation of a self-regulatory organization rule designated as a minor rule violation under a plan approved by the U.S. Securities and Exchange Commission. A rule violation may be designated as “minor” under a plan if the sanction imposed consists of a fine of \$2,500 or less, and if the sanctioned person does not contest the fine.
Professional Services:	Financial Advice and related activities and services that are offered or provided, including, but not limited to, Financial Planning, legal, accounting, or business planning services.
Regulatory Action:	An action initiated by a federal, state, local, or foreign governmental agency, self-regulatory organization, or other regulatory authority.
Regulatory Investigation:	An investigation initiated by a federal, state, local, or foreign governmental agency, self-regulatory organization, or other regulatory authority. A Regulatory Investigation does not include preliminary or routine regulatory inquiries or requests for information, deficiency letters, “blue sheet” requests or other trading questionnaires, or examinations.
Relevant Misdemeanor:	A criminal offense, that is not a Felony, for conduct involving fraud, theft, misrepresentation, other dishonest conduct, crimes of moral turpitude, violence, or a second (or more) alcohol and/or drug-related offense.



CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

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