

CFP BOARD

SANCTION GUIDELINES

PROPOSED 2026 REVISIONS

Conduct / Underlying Rule Violation	Sanction Guideline	Specific Aggravating and Mitigating Factors	Policy Notes
Violation of Code of Ethics Not Captured in another Conduct Category	The most closely analogous conduct category	N/A	Policy Notes
Breach of Fiduciary Duty (Standard A.1)	Revocation, with potential mitigation to a lower sanction based upon application of the aggravating and mitigating factors	<p>Specific Aggravating Factors</p> <ol style="list-style-type: none"> 1. The violation caused, or presented a risk of, <i>significant</i> harm to a Client or others. (See Harm to Client or Others General Factor, which provides aggravation for any harm (or risk of harm).) 2. The violation <i>significantly</i> benefitted Respondent or a related third party as set forth in the Personal Benefit General Factor (which provides aggravation for any benefit). <p>Specific Mitigating Factors</p> <ol style="list-style-type: none"> 1. The violation did not cause, or present any risk of, harm to a Client or others. (See Harm to Client or Others General Factor, which provides mitigation for no harm (or risk of harm) only where authorized.) 2. The violation did not benefit Respondent or a related third party as set forth in the Personal Benefit General Factor (which provides mitigation for lack of benefit only where Respondent believed conduct was necessary to avoid client harm, unless otherwise specified). 	N/A
Lack of Integrity (Standard A.2.a)	Revocation, with potential mitigation to a lower sanction based upon application of the aggravating and mitigating factors	<p>Specific Aggravating Factors</p> <ol style="list-style-type: none"> 1. The violation occurred over an extended period or was ongoing. 2. Respondent failed to demonstrate an understanding that Respondent's behavior evidenced a Lack of Integrity. <p>Specific Mitigating Factors</p> <p>N/A</p>	<ol style="list-style-type: none"> 1. CFP Board bases this sanction guideline on the assumption that the DEC's determination is that the totality of Respondent's conduct in performing Professional Services reflects a general lack of integrity. If the DEC does not make that finding, then the sanction guideline is a Suspension for Up to One Year, with potential aggravation to a higher sanction or mitigation to a lower sanction based upon application of the aggravating and mitigating factors. 2. <u>If Respondent's conduct qualifies as an Absolute Bar under the Fitness Standards, then the DEC shall not apply any aggravating or mitigating factors to this conduct category.</u>

Conduct / Underlying Rule Violation	Sanction Guideline	Specific Aggravating and Mitigating Factors	Policy Notes
<p>Forgery Without Authorization (Standard A.2.b)</p>	<p>Revocation, with potential mitigation to a lower sanction based upon application of the aggravating and mitigating factors</p>	<p>Specific Aggravating Factors</p> <ol style="list-style-type: none"> 1. The violation was part of a scheme to defraud (or similar misconduct). 2. The violation <i>significantly</i> benefitted Respondent or a related third party as set forth in the Personal Benefit General Factor (which provides aggravation for any benefit). 3. The violation caused, or presented a risk of, <i>significant</i> harm to a Client or others. (See Harm to Client or Others General Factor, which provides aggravation for any harm (or risk of harm).) 4. The violation affected multiple Clients. <p>Specific Mitigating Factors</p> <ol style="list-style-type: none"> 1. Respondent had a reasonable but mistaken belief of express or implied authority. 2. Respondent engaged in the conduct as an accommodation to the Client. 3. The violation did not cause, or present any risk of, harm to a Client or others. (See Harm to Client or Others General Factor, which provides mitigation for no harm (or risk of harm) only where authorized.) 4. The violation did not benefit Respondent or a related third party as set forth in the Personal Benefit General Factor (which provides mitigation for lack of benefit only where Respondent believed conduct was necessary to avoid client harm, unless otherwise specified). 5. The violation involved (i) one act of forgery (see Policy Note), or (ii) occurred many years ago. 6. The Respondent demonstrates by clear and convincing evidence that the Client ratified after the conduct. 	<ol style="list-style-type: none"> 1. The Sanction Guidelines distinguish between Forgery With Authorization and Forgery Without Authorization. Forgery With Authorization applies to cases where Respondent signs another person's name or initials or otherwise alters documents with that person's authorization. Forgery Without Authorization applies to cases where the Respondent signs another person's name or initials or otherwise alters documents without that person's authorization. Forgery Without applies to both paper and electronic documents. 2. A Respondent's violation may involve multiple documents involving one Client forged contemporaneously. The DEC should consider this one act of forgery. 3. The DEC should address a Respondent's violation of a firm policy under the Employer Policies conduct category. 4. <u>If Respondent's conduct qualifies as an Absolute Bar under the Fitness Standards, then the DEC shall not apply any aggravating or mitigating factors to this conduct category.</u>

Conduct / Underlying Rule Violation	Sanction Guideline	Specific Aggravating and Mitigating Factors	Policy Notes
<p>Fraud or Misrepresentation Involving Professional Services – Intentional or Reckless (Standard A.2.b)</p>	<p>Revocation, with potential mitigation to a lower sanction based upon application of the aggravating and mitigating factors</p>	<p>Specific Aggravating Factors</p> <ol style="list-style-type: none"> 1. Respondent directed the fraud at or harmed more than one other person (such as a Client). 2. The violation caused, or presented a risk of, <i>significant</i> harm to a Client or others. (See Harm to Client or Others General Factor, which provides aggravation for any harm (or risk of harm).) 3. The violation <i>significantly</i> benefitted Respondent or a related third party as set forth in the Personal Benefit General Factor (which provides aggravation for any benefit). 4. Respondent encouraged or pressured others to participate in the violation. 5. Respondent failed to change the business practices that contributed to the violation. (See Rehabilitative Conduct General Factor, which provides that rehabilitative conduct should not be considered in aggravation unless otherwise specified.) <p>Specific Mitigating Factors</p> <ol style="list-style-type: none"> 1. The violation did not cause, or present any risk of, harm to a Client or others. (See Harm to Client or Others General Factor, which provides mitigation for no harm (or risk of harm) only where authorized.) 2. The violation did not benefit Respondent or a related third party as set forth in the Personal Benefit General Factor (which provides mitigation for lack of benefit only where Respondent believed conduct was necessary to avoid client harm, unless otherwise specified). 	<p><u>1. If Respondent's conduct qualifies as an Absolute Bar under the <i>Fitness Standards</i>, then the DEC shall not apply any aggravating or mitigating factors to this conduct category.</u></p>

CFP BOARD

1425 K St NW #800 Washington DC 20005

p 800-487-1497 | f 202-379-2299

mail@cfpboard.org | CFP.net