

May 15, 2003

Stephen Paglia
Senior Policy Analyst
Joint Forum Project Office
Joint Forum of Financial Market Regulators
5160 Yonge Street, 17th Floor, Box 85
North York ON M2N 6L9

Dear Mr. Paglia:

Re: Joint Forum Practice Standards Project

Thank you for affording Financial Planners Standards Council (FPSC) the opportunity to comment on the documents constituting the output of the Practice Standards Project to date.

We will offer general observations as well as more focused comments on the Financial Planning Industry. It is noteworthy that although a representative of FPSC was not asked to sit on the Industry Liaison Group, Rules 302, 402, 401(a), 401(b) and 402(c) of FPSC's Code of Ethics constitute a significant portion of the Financial Planning Industry Example. We can only assume that FPSC is unknown to the Joint Forum of Financial Market Regulators, and therefore, we will also submit some pertinent background information on our organization and the standard-setting and monitoring functions we carry out on behalf of over 15,000 Certified Financial PlannerTM (CFPTM) professionals across Canada.

General

The Joint Forum Practice Standards Project has been divided into four components:

- Practice Standards
- Competency Rules
- Continuing Education Requirements
- Licencing Guidelines

This phase of the project attempts to outline best practices for intermediaries in the sale of financial products and services. Presumably, the general principles will be used as a framework by various industry segments for developing or assessing their Practice Standards and Codes of Ethical Conduct. We assume the Joint Forum in due course, will use these minimum guidelines to evaluate the adequacy of industry guidelines.

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Principles and Practices for the Sale of Products and Service in the Financial Sector

We believe our Code of Ethics and draft Practice Standards articulate in detail the professional responsibilities of a CFP professional and exceed your minimum standards. However, as a result of examining your document, we will improve our guidance to our CFP licensees in the area of Client Redress – specifically in situations where a dispute cannot be resolved by the financial planner and his/her client.

We suggest that where a Code of Ethical Conduct and Practice Standards promulgated by an industry participant in a specific financial services sector such as those published by Financial Planners Standards Council for CFP licensees, the Joint Forum approval of such guidance should be published in order to avoid what may appear to CFP licensees as confusing duplication of regulatory guidance.

A Consumers Guide to Financial Transactions

We believe that substituting the term “salesperson/advisor” for “salesperson” would improve this public document.

Principle 4 needs to be clarified. There are many financial intermediaries who would be confused by the term “high standards of professionalism”. To expect users of the services of financial intermediaries to formulate their expectations in relation to the term “high standards of professionalism” will require guidance similar to that offered in the industry document.

For the information of the Industry Liaison Group, we include a copy of FPSC’s Code of Ethics, draft Practice Standards, and our Disciplinary Rules and Procedures.

Thank you for keeping us apprised of the progress of this initiative. If we can be of further assistance going forward, please let me know.

Sincerely,

Donald J. Johnston
President