

# The Disciplinary Procedures of the Institute of Financial Planning

## 1. Introduction

**1.1:** It is a condition of all levels and types of membership of the Institute of Financial Planning that the members observe the highest standards of ethical conduct including the Code of Ethics and Professional Practice in connection with their Financial Planning, investment and other related business. Those members who act unethically, display serious incompetence or otherwise bring the IFP into disrepute through their behaviour, acts or omissions, whether or not related to their Financial Planning activities, may be subject to the Disciplinary Procedures set out here.

**1.2:** Complaint may be upheld against a member who

- a) acts unethically, displays serious incompetence or otherwise brings into disrepute the IFP through his behaviour; or
- b) is found guilty of any criminal offence; or
- c) is subject to a disciplinary sanction imposed by any regulatory or professional body; or
- d) intentionally makes a false or misleading statement to the IFP or those performing the functions of the IFP on its behalf or at its request.

An offence under (b) will either have to have an impact on the member's fitness to act in the Financial Planning sector or will have to be of a serious nature.

**1.3:** The Chief Executive of the IFP and the Chairman of the Disciplinary Committee and the Committee as a whole may at all times delegate their tasks under these rules to other people.

**1.4:** Any changes to the Disciplinary Procedures may be made by the majority vote of the Disciplinary Committee. The Board must subsequently ratify such changes. They will be notified to all members prior to the date of implementation either directly or through one or more of the publications of the IFP.

## 2. Making a Complaint

**2.1:** Each Complaint must be made in writing, where possible supported by appropriate documentary evidence. It must be addressed to the Chief Executive of the Institute of Financial Planning or anyone designated by him for this purpose. Write to the Chief Executive at Whitefriars, Lewins Mead, Bristol, BS1 2NT.

**2.2:** A Complaint may be made by any person including the Chief Executive of the IFP.

**2.3:** Each Complaint must be recorded in a Complaints Register and acknowledged by the IFP within a reasonable time.



### 3. Handling of Complaints

**3.1:** The Complaint shall be referred by the IFP to the Chairman of the Disciplinary Committee and the Chairman shall refer the Complaint and all documents submitted with the Complaint or which are known to the Chairman to be relevant to it to a non-member of the IFP appointed by the IFP to be its Independent Investigator for the purposes of the Complaint in question.

**3.2:** The Independent Investigator is required to determine whether, on the basis of the evidence provided to him, the Complaint is arguable and justifies a formal investigation of the matters complained of. If he concludes that a Complaint could be justified on a ground other than the one raised by the Complaint, he may submit that for a formal investigation instead of or in addition to any grounds for Complaint raised by the Complainant. The Independent Investigator may demand that the member complained against, the Complainant or any other member of the IFP furnish him with information or evidence that may be relevant to any matter raised by the Complaint. This must be supplied to him in writing.

**3.3:** The IFP will, if so required by a member of the IFP against whom a complaint has been made, give the member access to a number of members who are familiar with the Disciplinary procedures but not on any hearing panel in order that one such member, chosen by the member complained against, may act as a “friend” to the complained against member to guide him/her through the procedures.

**3.4:** The decision of the Independent Investigator as to whether and the extent to which a formal investigation should take place and his reasons for those conclusions shall be communicated to the Chief Executive who shall provide copies to the Complainant, the member and the Chairman of the Disciplinary Committee.

**3.5:** The Disciplinary Committee shall consider the Independent Investigator’s Report and decide on the basis of it whether to instigate a full investigation of the Complaint or any part of it. If it decides to proceed with an investigation of any part of the Complaint, it will form a Disciplinary Panel to determine the outcome of the Complaint and appoint a Chairman of that Committee (the “Disciplinary Panel Chairman”) and an Independent Investigator to assist it. The Independent Investigator may be appointed a member of the Panel. If not, he must be invited to participate in the discussions and investigations of the Panel as if he was a member of it.

**3.6:** The Panel must have a minimum of three members but otherwise may be of whatever number the Disciplinary Committee determines. At least one CFP<sup>CM</sup> Professional must be a member of the Disciplinary Panel in each case. In cases involving a Complaint against a CFP<sup>CM</sup> Professional, two members of the Panel shall be CFP<sup>CM</sup> Professional. The Decision of the Disciplinary Committee will be communicated to the Chief Executive and he will communicate it to the Complainant and the member.

**3.7:** If the Disciplinary Committee takes the view that any matter arising during the investigation of a Complaint should be reported to any regulatory body, it may do so at any time during the Complaint proceedings.



## 4. Formal Investigation

**4.1:** The Procedure adopted by the Disciplinary Panel shall be determined at the discretion of its Chairman. This may but is not required to include an oral hearing at which the member may be required to attend and may be accompanied by a friend of his or her choice. The Panel must invite the Complainant to attend any such hearing and may draw all necessary inferences from any failure to attend. All IFP members must co-operate in all reasonable ways with the Panel in its investigation of Complaints against members.

**4.2:** It shall be open to but not incumbent on the Disciplinary Panel or Independent Investigator to try to resolve differences between the Complainant and the member by whatever means it or he considers appropriate. The Disciplinary Panel may require the Complainant if a member of the IFP and any member to agree to refer any dispute arising out of or relating to the Complaint to binding arbitration. The parties may adopt by agreement any arbitral procedure (including a process for appointing the arbitral tribunal) that they wish. If they fail to agree on that procedure, they will each appoint an arbitrator and the arbitrators appointed will select a chairman. The procedure to be adopted by the arbitrator or arbitrators in any resulting arbitration shall be at the arbitrator's or arbitrators' discretion.

**4.3:** In the event of either side failing to make the necessary appointments with regard to an arbitration referred to under the previous paragraph, the Chief Executive of the IFP will appoint any arbitrators required. He may in his discretion appoint a single arbitrator to resolve the dispute. In any event, when appointing an arbitrator, the Chief Executive will send a list of at least three possible arbitrators to each party and seek their views and objections to any appointment before reaching a final decision on the matter no sooner than 14 days after sending the parties the relevant list. The IFP will be entitled to charge the parties a reasonable fee for any services it renders to the parties (including any expenses involved) in relation to an arbitration as described in these rules.

**4.4:** The Disciplinary Panel shall reach its decision by voting. In the event that the Panel is unable to reach a decision in this way on any matter, the Panel Chairman's vote shall be decisive on all matters. There is no need for there to be a single meeting in order for a decision to be reached. The Chairman can organize this in whatever way he chooses. However, in a Complaint against a CFP<sup>CM</sup> Professional, two CFP<sup>CM</sup> Professionals which may include the Chairman must vote in favour of the final decision for the Complaint to be upheld.

**4.5:** The Decision of the Disciplinary Panel shall be in writing and contain the reasons for it. Those reasons may be incorporated by reference to any other document. Any member of the Panel and the Independent Investigator wishing to express his dissent for the decision may do so and that dissent and any reasons for it will be attached to the Decision. The agreement of any Disciplinary Panel member to any Decision may be communicated in any reasonable way. Physical signature of the document concerned is not required.

**4.6:** The Decision of the Disciplinary Panel shall, subject to these rules, be binding on all members. It shall be communicated to the Complainant, to the member and to the Chief Executive of the IFP.



## 5. Sanctions

**5.1:** The Disciplinary Panel may dismiss the Complaint in full or in part. If it upholds the Complaint in any respect, it must impose one of the sanctions set out below. In determining the sanction to be imposed, the Panel may have regard to all matters to the attention of which it is aware even where those matters in themselves could not have formed the subject matter of a successful Complaint.

### 5.2: A Censure

The Disciplinary Panel may censure a member. This shall take the form of a written reproach sent by the IFP to the member. That reproach may consist of a communication to the member that the Complaint is upheld and that he has been censured. It may be public or private.

### 5.3: Suspension

The Disciplinary Panel may order suspension for a specified period of time, not exceeding 3 years, of an individual's right to be an ordinary member and/or the right to use all or any of designatory letters or descriptions associated with the IFP.

### 5.4: Expulsion

The Disciplinary Panel may order the expulsion of the member from the IFP and/or withdrawal on a permanent basis of the individual's right to use the title of CERTIFIED FINANCIAL PLANNER<sup>CM</sup> Professional or CFP<sup>CM</sup> Professional. An expulsion order may be made against a person who since the initiation of the Complaint has resigned from the IFP. Any person who has been expelled from the IFP may only apply for readmission after five years.

**5.5:** The Disciplinary Panel may make an order requiring any member to pay the reasonable costs of the IFP, the Panel members, the Independent Investigator, the Complainant and/or the member of participating in the disciplinary proceedings.

**5.6:** The Disciplinary Panel shall determine the extent of the publicity to be given to the result of its proceedings. It may in any event communicate fully its findings and any evidence submitted to it to any appropriate regulatory body.



## 6. Appeals

**6.1:** An appeal may only be brought where the Disciplinary Panel has expelled or suspended the member from the IFP or removed his CFP<sup>CM</sup> certification. The appeal shall be by way of re-hearing.

**6.2:** The communication of any decision against which an appeal may be brought shall include or be accompanied by a notice stating that an appeal against it may be submitted in writing to the Chief Executive and must be submitted to him within 14 days of the date of posting the decision.

**6.3:** A notice of appeal must be submitted in writing to the Chief Executive of the IFP within 14 working days of the date of posting the decision to the member. It should state the grounds on which the member believes that the Disciplinary Panel's decision should be reversed or varied. The Chief Executive may extend this time limit if he considers it appropriate.

**6.4:** Any decision against which an appeal may be brought shall not come into effect until 14 working days of the date of its posting to the member. The submission of an appeal shall suspend its effect until the determination of the appeal unless the appeals committee otherwise decides.

**6.5:** The Chairman of the Disciplinary Committee shall appoint an appeal panel consisting of three members, one of whom will be appointed to be the Appeal Panel Chairman. It shall appoint an Independent Investigator on the same basis and with the same powers as for the formal investigation by the Disciplinary Panel. In a Complaint against a CFP<sup>CM</sup> Professional, two members of the panel must be CFP<sup>CM</sup> Professionals. Both must vote in favour of the final decision of the Appeal Panel for its decision to be valid.

**6.6:** The Chairman of the Appeal Panel shall determine the procedures to be adopted in determining the appeal except as stated herein. In particular, he is not required to convene an oral hearing or meeting in any form.

**6.7:** On an appeal, the Appeal Panel may affirm the decision and the penalty imposed or vary either the decision or the penalty imposed. The Appeal Panel may make an order as to the costs of its proceedings and those of the Disciplinary Panel in the same way as the Disciplinary Panel as set out above.

**6.8:** The decision of the Appeal Panel shall be communicated to the Chairman of the Disciplinary Committee. The Disciplinary Committee will then advise the parties through the offices of the Chief Executive.

## 7. Membership of Panels

**7.1:** No member of a Disciplinary Panel may be appointed to an Appeal Panel for the same or a related case.

**7.2:** Any member of a Disciplinary or Appeal Panel who has a conflict of interest shall declare that interest to the Complainant and member and shall only continue to be a member of the relevant panel if the Complainant and member both consent.



## 8. General

**8.1:** In this document unless the context otherwise requires, words importing one gender shall include the other and words importing the singular shall include the plural and vice versa.

**8.2:** Any communication shall, unless the contrary is proved be deemed to be made within 2 working days of posting.

**8.3:** These procedures and any amendment thereof shall take effect on a date to be determined by the Board of Directors of the IFP and shall apply to future and existing Complaints alike provided that nothing herein shall require previous steps taken in relation to Complaints that have already been made to be re-done or re-considered.

