

Responses to Selected Comments on Proposed Revised *Sanction Guidelines*

On March 13, 2024, CFP Board announced the adoption of [revised *Sanction Guidelines*](#), [revised *Fitness Standards*](#) and [revised *Procedural Rules*](#) that will take effect July 1, 2024.

In response to stakeholder feedback, the final revised *Sanction Guidelines* reflects several changes to the draft version that was released for [public comment](#) from September 5 - December 3, 2023, including substantive changes as well as minor changes to improve clarity. Substantive changes and responses to comments include the following:

- Retention of the Revocation sanction guideline for Breach of Fiduciary Duty (see page 13 of redlined *Sanction Guidelines*), given that the fiduciary duty is the cornerstone of CFP Board's *Code of Ethics and Standards of Conduct*, and a lower sanction guideline might undermine the Fiduciary Duty's importance to CFP Board. Additionally, investor protection organizations overwhelmingly supported the Revocation sanction guideline.
- Bifurcation of the Forgery category into separate sanction guidelines for Forgery without Authorization and Forgery with Authorization, with different sanction guidelines (see pages 15-17 of redlined *Sanction Guidelines*). The sanction guideline for Forgery without Authorization is a Revocation, with potential mitigation to a lower sanction based upon application of the aggravating and mitigating factors. The sanction guideline for Forgery with authorization is 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.
- Added policy note that continuing education should be considered for violations involving Lack of Competence (see page 21 of redlined *Sanction Guidelines*).
- Reduction of the sanction guideline for violations of the Duty when Recommending, Engaging, and Working with Additional Persons to a Public Censure, in response to stakeholder feedback, with the specific aggravating and mitigating factors eliminated for these violations (see page 34 of redlined *Sanction Guidelines*).
- Modification of the title of the Finding of Fraud, Theft, Misrepresentation, or Other Dishonest Conduct Not Involving Professional Services category to reflect that it involves a Civil or Regulatory Finding, in contrast to criminal findings that are addressed in other sections of the *Sanction Guidelines* (see page 41 of redlined *Sanction Guidelines*).
- Reduction of the sanction guideline for Inaccurate Submission of Request for Continuing Education Credit from Suspension of at Least a Year and a Day to Suspension for Up to One Year. Since CFP Board staff would make a determination whether the Respondent had completed the required CE (the guideline requires "actual completion of CE that satisfied the certification requirements"), the DEC does not need to evaluate the Respondent's conduct after the Suspension ends, which would be the case if the Suspension was for more than one year (see page 47 of redlined *Sanction Guidelines*).

- Retention of the existing policy of not removing public sanctions from the website. Regulators do not remove public sanctions, these sanctions likely would be visible on other websites, and the public might be confused if a CFP Board sanction were on another website but not on CFP Board's website.

After reviewing comments on the proposed revised *Fitness Standards*, additional technical edits were made to improve the language. Revisions to the *Procedural Rules* incorporate a number of technical changes, including changes to align with the revised *Sanction Guidelines* and *Fitness Standards*.

Review redlined documents showing changes made following the 2023 public comment period:

- [Redlined version of the revised *Sanction Guidelines*](#)
- [Redlined version of the revised *Fitness Standards*](#)
- [Redlined version of the revised *Procedural Rules*](#)