



**CERTIFIED RETIREMENT  
FINANCIAL ADVISOR™**

P. O. Box 453 \* 501 N Mustang Road Ste D1  
Mustang, OK 73064  
405-376-9976



# DISCIPLINARY RULES AND PROCEDURES

## FOR

# SOCIETY OF CERTIFIED RETIREMENT FINANCIAL ADVISORS™

Revised 12-30-2015



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FINANCIAL ADVISOR™**

P. O. Box 453 \* 501 N Mustang Road, Suite D1  
Mustang, OK 73064  
405-376-9976

Please use this form to report any specific allegations of misconduct against a CRFA.

CRFA Name: \_\_\_\_\_

Address: \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-Mail  
Address: \_\_\_\_\_

Please note your complaint against the CRFA. If necessary, please record additional information on a separate sheet and attach to the complaint. Be sure the CRFA's name is on the attachment.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of Person Filing Complaint \_\_\_\_\_

Address: \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-Mail Address \_\_\_\_\_

*I certify that the above and attached information is true, correct, and complete to the best of my knowledge.*

Signature \_\_\_\_\_ Date \_\_\_\_\_

This complaint may be filed in any of the following ways:

Mail to:

CRFA  
Complaint Form  
PO Box 453  
Mustang, OK 73064  
Phone: 405-376-9976

Fax to:  
CRFA Disciplinary and Appeals Board  
405-376-2650

E-Mail to:  
certification@crfa.us

## Introduction

The Society of Certified Retirement Financial Advisors Certification Board has adopted a Code of Ethics and Professional Responsibility (Code of Ethics) including financial planning practice standards which establish the expected level of professional conduct and practice for CRFA designees. The Code of Ethics may be amended from time to time.

To promote and maintain the integrity of its CRFA (Certified Retirement Financial Advisor™) certification marks for the benefit of clients and potential clients of CRFAs, the CRFA Certification Board has the ability to enforce the provisions of the Code of Ethics. The Board shall be required to enforce sanctions against CRFAs who violate the regulations proscribed in the Code of Ethics. The Board will follow the disciplinary rules and procedures set forth below when enforcing the Code of Ethics.



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## CRFA Code of Ethics

The Certification Board of the Certified Retirement Financial Advisors (CRFA) is the sole body designated to award the CRFA designation. The CRFA designation is widely recognized and bestows a recognized level of competence in the field. Part of that competence relates to an understanding that the CRFA will abide by the Code of Ethics and Practice Standards, thereby protecting the public they are called to serve. All CRFAs must agree to uphold, abide by, and practice in accordance with this Code of Ethics in order to protect the value of the designation and provide assurance to all members of the public, most importantly those who are served by the CRFA.

To this end, the Certification Board of the Certified Retirement Financial Advisors hereby establishes this Code of Ethics stating that all CRFAs are bound to:

- I. Conduct your business according to high standards of honesty and fairness and to render that service to your clients so that any “prudent man” would agree that you conduct yourself and your business in a manner that is beyond reproach.

- II. Provide competent and “client-centric” service. If your products or services do not fit the prospect or client, you will identify that fact as soon as possible and withdraw from service.
- III. Seek to make a comprehensive review of your prospective client’s or current client’s financial circumstances and make appropriate referrals to other professionals for services beyond your area of expertise. The CRFA is obligated to protect your client’s or prospect’s financial well-being, recognizing that in some cases, best practice may include services that are outside of your area of competency, and that the client should be referred to another professional.
- IV. Provide prompt handling of client’s financial affairs and immediately address client concerns, dissatisfaction or complaints.
- V. Advertise in accordance with employer regulations, use appropriate sales materials and presentations, and provide a balanced view within all recommendations.

The Code consists of two parts: The Principles and The Rules. The Principles embody the ethical and professional standards expected of CRFAs. These principles address the “substance” and not merely the “form” of service to the clients and the employer. The Principles are the guidelines of professional conduct, the same conduct that any client would expect of any professional on whom they rely—an attorney, a CPA or a physician. The Rules serve as a description of best-practice or CRFA Standards, and outline how the Principles must be implemented in specific circumstances.

## **The Principles**

**Principle 1. Competence:** The CRFA shall provide services to clients in a manner that demonstrates competency. Competency must be maintained through participation in recertification activities that demonstrate that the CRFA has maintained currency in the necessary knowledge and skills required in the role of the CRFA.

Competence is defined as having adequate levels of knowledge and skill to provide appropriate advice as judged by one’s peers. Competence includes the recognition when one is involved in matters beyond one’s competence that one must withdraw or seek appropriate professional assistance. Competence also includes maintaining one’s level of knowledge through continuing education/recertification.

**Principle 2. Confidentiality:** A CRFA shall not disclose any confidential client information without the specific consent of the client unless the disclosure is made in response to a legal proceeding, to defend against charges of wrong doing by the CRFA or in connection with a civil dispute between the CRFA and a claimant.

Confidentiality is a fundamental aspect of trust on which the professional-client relationship is based.

**Principle 3. Professionalism:** A CRFA's conduct in all matters shall reflect professionalism and good character, as expected by the CRFA designation. Because of the critical nature of the professional services rendered by CRFAs and the sensitivity of the financial affairs of retirees, CRFAs are held responsible for their behavior to not only clients, but also prospective clients, other professionals and members of the public. A CRFA is representing the credential and may not behave in any manner that would discredit the credential.

**Principle 4. Fairness and Integrity:** A CRFA shall perform professional services in a manner that is fair and reasonable to clients, prospective clients, colleagues, and employers, and the certificant shall disclose any conflicts of interest associated with providing such services. Fairness includes subordinating one's own personal interest when it conflicts with the client's interests and when such conflicts are unclear, attempting to balance the interests of all parties equitably. The CRFA must demonstrate integrity by living according to high moral principles, and serving the public with steadfast adherence to the CRFA Code of Ethics Rules and Principles, and the policies and procedures of the CRFA Certification Board.

**Principle 5. Diligence:** A CRFA shall remain organized regarding client's records and affairs, shall respond to client concerns and communications in a timely manner, and shall properly plan and provide appropriate follow-up on services or products delivered.

**Principle 6. Objectivity:** A CRFA shall be objective in providing professional services to clients. Services must be provided without the influence of personal opinions, unsubstantiated forecasts, and unfounded assumptions. Recommendations to clients must be based upon available facts, and a proper balancing of those facts.

## **The Rules**

### **Rules that Relate to the Principle of Competence**

**Rule 101:** A CRFA shall keep informed of developments in his/her area of activity and participate in continuing education throughout his/her professional career in order to improve professional competence in all fields in which the designee is involved. The CRFA shall satisfy all minimum continuing education requirements established by his/her licensing authorities and regulatory organizations and the CRFA Certification Board.

**Rule 102:** A CRFA shall offer advice only in those areas that the CRFA has competence. In those areas that the CRFA is not professionally competent, he/she shall seek the counsel of qualified individuals and/or refer clients to such persons or withdraw from providing advice or assistance.

## Rules that Relate to Confidentiality

**Rule 201:** A CRFA shall not reveal or use for his/her benefit, without the client's consent, any personally identifiable information relating to the client relationship or the affairs of the client, except and to the extent that disclosure or use is reasonably necessary:

- (a) To establish an advisory or brokerage account, to effect a transaction for the client, or as otherwise authorized in order to carry out the client engagement; or
- (b) To comply with legal requirements or legal process; or
- (c) To defend the CRFA against charges of wrongdoing; or
- (d) To defend the CRFA in connection with a civil dispute between the CRFA member and the client.

For the purposes of this rule, the proscribed use of client information is improper, regardless of whether it actually causes harm to the client.

**Rule 202:** A CRFA shall maintain the same standards of confidentiality to employers as to clients.

**Rule 203:** A CRFA doing business as a partner or principal of a firm owes to his/her partners or co-owners a responsibility to act in good faith. Good faith includes, but is not limited to, adherence to reasonable expectations of confidentiality both while in business together and thereafter.

## Rules that Relate to the Principle of Professionalism

**Rule 301:** A CRFA shall use the designation in compliance with the current rules and regulations of the CRFA Certification Board, as established and amended.

**Rule 302:** A CRFA shall show respect for other professionals and related occupational groups by engaging in fair and honorable competitive practices.

**Rule 303:** A CRFA who has knowledge that another CRFA member has committed a violation of this Code shall promptly notify the CRFA Disciplinary and Appeals Board. A violation would be any act that raises substantial questions as to another CRFA's honesty, integrity, competence, trustworthiness or fitness to practice. For the purposes of this Rule, knowledge means no substantial doubt.

**Rule 304:** A CRFA who has knowledge that raises a substantial question of legally actionable, unprofessional, fraudulent or illegal conduct by a CRFA or other person — shall promptly inform the appropriate regulatory and/or professional disciplinary body,

as well as the CRFA Disciplinary and Appeals Board. For purposes of this Rule, knowledge means no substantial doubt.

**Rule 305:** A CRFA who has reason to suspect illegal conduct within the designee's organization shall make timely disclosure of the available evidence to the designee's immediate supervisor and/or partners or co-owners. If the CRFA is convinced that illegal conduct exists within the designee's organization, and that appropriate measures are not being taken to remedy the problem, the CRFA shall, where appropriate, alert the proper regulatory authorities, and the CRFA Certification Board.

**Rule 306:** In all professional activities, a CRFA shall perform services in accordance with:

(a) Applicable laws, rules and regulations of governmental agencies and other applicable authorities; and

(b) Applicable rules, regulations and other established policies of the CRFA Committee for Discipline and Appeals.

**Rule 307:** A CRFA shall not engage in any conduct that reflects adversely on his/her integrity or fitness to practice.

**Rule 308:** A CRFA shall return a client's original records in a timely manner when the client requests them.

**Rule 309:** A CRFA shall exercise reasonable and prudent professional judgment in providing professional services.

**Rule 310:** A CRFA shall always act in the best interest of the client or prospective client.

### **Rules that Relate to Fairness and Integrity**

**Rule 401:** A CRFA shall, in rendering services to a client, disclose:

(a) All material information relevant to the professional relationship, including but not limited to conflict(s) of interest(s), changes in the CRFA's business affiliation, address, telephone number, credentials, qualifications, licenses, and agency relationships, as well as the designee's scope of authority within the agency.

(b) The information required by all laws applicable to the relationship in a manner that complies with such laws.



**Rule 402:** A CRFA who practices financial planning shall make timely written disclosure of all material information relative to the professional relationship, including conflict(s) of interest(s) and sources and amount of compensation, as well as the following:

(a) A statement setting forth the philosophy of the CRFA (or his/her firm) in working with clients, and

(b) Resumes of principals and employees of the firm who are expected to provide services to the client, as well as a description of those services.

**Rule 403:** A CRFA's compensation shall be fair, reasonable, and clearly disclosed.

**Rule 404:** A CRFA who is an employee shall perform professional services with dedication to the lawful objectives of the employer and in accordance with this Code.

**Rule 405:** Prior to establishing a professional relationship, a CRFA may provide the prospective client with professional references and recommendations from present or former clients, provided that such references and recommendations do not violate the confidentiality provisions of the Code.

**Rule 406:** A CRFA shall not solicit clients through false or misleading communications or advertisements, either written or oral.

**Rule 407:** A CRFA shall not, during the course of rendering professional services, engage in conduct that involves dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement to a client, employer, employee, professional colleague, governmental or other regulatory body or official, or any other person or entity.

**Rule 408:** A CRFA shall not give the impression to a client or prospective client that the designee is representing the views of the Society of Certified Retirement Financial Advisors or any other group, unless the certificant has been expressly authorized to do so.

**Rule 409:** A CRFA is prohibited from the unauthorized or misleading use of the CRFA credentials. If the certificant's renewal date has passed and certificant has not fulfilled requirements to maintain certification, the CRFA designation may not be used until the Certificant meets all requirements and pays all outstanding fees and fines. Additionally, CRFAs are prohibited from using the CRFA designation to represent that he is a specialist in a particular product or service, has specific knowledge that he does not possess or use the designation in any way to mislead a prospect or client about his expertise or breadth of experience or knowledge.

**Rule 410:** A CRFA shall conduct him/herself with honor and dignity.

### **Rules that Relate to Diligence**

**Rule 501:** A CRFA shall act promptly when serving clients, employers, principals, and other users of the designee's services.

**Rule 502:** A CRFA shall carefully evaluate a client's circumstances prior to making a recommendation and the certificant shall make and/or implement only those recommendations that are appropriate for the client.

**Rule 503:** A CRFA shall properly supervise subordinates with regard to their delivery of services to the client, and the designee shall not accept or otherwise condone any subordinate's conduct that is in violation of this Code.

**Rule 504:** A CRFA shall use the CRFA designation only when the CRFA is in good standing with the CRFA Certification Board and the CRFA Disciplinary and Appeals Board. Good standing shall be interpreted to mean recertification currency, Code of Ethics reaffirmation affidavit currency, and CRFA annual renewal fee currency.

### **Rules that Relate to Objectivity**

**Rule 601:** A CRFA shall employ objective standards in providing professional services or recommending products and not be influenced by biases, assumptions, hearsay, public opinion or other information which cannot be substantiated or which has no foundation.

### **Violation of the Code of Ethics:**

CRFAs who violate the Code of Ethics shall be subject to disciplinary actions. The Disciplinary Policy and Procedures may be found on the CRFA website at [www.crfa.us](http://www.crfa.us).

## The Disciplinary Procedures

### Introduction:

All CRFA are bound by the Principles and Rules of the Code of Ethics. In order to maintain high standards of professional conduct, those who have demonstrated that they are unable to or have not discharged their professional responsibilities shall be subject to appropriate disciplinary procedures. Adherence to the Code of Ethics in letter and spirit is mandatory for all CRFAs, and its provisions will be strictly enforced.

### The CRFA Disciplinary and Appeals Board:

The CRFA Certification Board (the Board) is a group of industry professionals, responsible for setting standards, maintaining the educational curriculum, providing opportunities for continuing education and investigating, reviewing, and taking appropriate action with respect to a CRFA's alleged violations of the Code of Ethics.

### The Board is authorized to:

1. Make amendments to the Code of Ethics and/or Disciplinary procedures as societal mores shift in order to maintain a high standard for CRFA conduct;
2. Appoint CRFAs to assist with investigations or to serve temporarily as Disciplinary Chairperson or participate in disciplinary panels;
3. Select other individuals who will investigate alleged violations of the Code;
4. Report to the CRFA on the operation of the Board;
5. Prosecute CRFA who violate the rules or the principles by implementing procedures described below.

### Grounds for Discipline

Misconduct by a CRFA, including the following acts or omissions, constitutes grounds for discipline, whether or not the misconduct occurred in the course of a client relationship:

- any act or omission which violates the provisions of CRFA Board's *Code of Ethics and Professional Responsibility (Code of Ethics)*
- any act or omission which violates the criminal laws of any state or of the U.S.
- any act which is the proper basis for suspension of a professional license
- any act or omission which violates CRFA Board's *Disciplinary Rules and Procedures*
- failure to respond to a request by the CRFA Disciplinary and Appeals Board without good cause

- obstruction of the CRFA Disciplinary and Appeals Board's performance of its duties
- any false or misleading statement made to CRFA Board.

This list is not exclusive, and there may be other acts or omissions amounting to unprofessional conduct, which may also constitute grounds for discipline.

### **Disciplinary Procedure:**

The disciplinary process is initiated by the filing of a complaint and anyone may file a complaint against a CRFA

Upon the Board's receiving a complaint, the Board will notify the charged CRFA and they will be required to respond to the complaint within fifteen (15) days.

The disciplinary procedures of CRFA Board have been devised to ensure a fair and reasonable process for a CRFA against whom allegations of *Code of Ethics* violations are brought.

1. Request for Investigation - Upon receipt of a written complaint, staff counsel reviews the allegations to determine if further investigation is warranted.
2. Investigation - If staff counsel determines to proceed with an investigation, the CRFA is given written notice of the investigation, which contains the general nature of the allegations. The CRFA is given 30 days within which to file a written response. If no response is received within the allotted 30 days a formal complaint is issued and the case is presented to the CRFA Disciplinary and Appeals Board.
3. Probable Cause Determination - CRFA Disciplinary and Appeals Board determines if there is probable cause to believe grounds for discipline exist. If so, staff may issue a formal complaint against the CRFA. If the information already received is sufficient, however, it is immediately turned over for review.
4. Formal Complaint – Where deemed necessary, the complaint will contain the specific allegations of misconduct and the potential *Code of Ethics* and/or *Practice Standards* violations. The CRFA has 30 days from the date of receipt of the complaint to file a written answer. If no answer is received, the allegations in the complaint are deemed admitted and the CRFA's right to use the CRFA certification marks is administratively revoked.
5. CRFA Disciplinary and Appeals Board, after considering all the facts and recommendations, will render a final decision.
6. All decisions of the CRFA Disciplinary and Appeals Board are final.

## **Forms of Discipline**

If grounds for discipline have been established, the CRFA Disciplinary and Appeals Board may impose any of the forms of discipline below. All disciplinary actions, except private written censure, may be publicly disseminated.

- a private written censure
- a public letter of admonition
- suspension of the right to use the CRFA marks for a specified period of time, not to exceed five years
- permanent revocation of the right to use the CRFA marks.