

## **CIM<sup>®</sup> Code of Ethics and Ethical Misconduct Process**

### **Code of Ethics**

#### **1.0 General Responsibilities**

CIM<sup>®</sup> designates will comply with legal and regulatory principles that govern the financial services industry. You will be professional, compliant, and recognize your limitations, exercise due diligence and practice with sound judgment. To be compliant with this code of ethics you must respect all of the requirements set out below.

##### **As a CIM<sup>®</sup> you will:**

- 1.1 Make yourself aware of the legal and regulatory requirements to operate in your jurisdiction. Maintain knowledge of and comply with all applicable laws, rules, and regulations of any government, regulatory organization, or professional association governing your professional activities. However, this Code of Ethics may set out different standards of behaviour than does the law. Where there is a conflict between the Code of Ethics and the law, you must abide by the law.
- 1.2 Act with dignity, integrity, professional competence and in an ethical manner when dealing with the public, clients, prospects, employers, and colleagues. You must use reasonable care and exercise independent, professional judgment.
- 1.3 Recognize your own limitations. When appropriate, seek additional opinions and services.
- 1.4 Abide by continuing education requirements as outlined by CSI Global Education.

#### **2.0 Responsibilities to the Client**

All CIM<sup>®</sup> designates will strive to maintain the highest level of personal integrity when dealing with clients. By demonstrating respect, honesty, due diligence and practicing sound compliance, you will honour the trust of clients, while providing an environment of confidentiality, free from discrimination.

##### **As a CIM<sup>®</sup> you will:**

- 2.1 Treat each client with respect, put the client's interests ahead of your own, and not exploit a client for personal advantage.
- 2.2 Not discriminate against any client on such grounds as age, gender, marital status, national or ethnic origin, physical or mental disability, political affiliation, race, religion, sexual orientation, or socioeconomic status. You only have the right to refuse to accept a client for legitimate business reasons.
- 2.3 Constantly exercise due diligence in making recommendations for financial products.
- 2.4 Use particular care in executing your duty of care when working with clients.
- 2.5 Preserve the confidentiality of information communicated by clients, prospects and employers.
- 2.6 Not make any oral or written statements that misrepresent the services that you or your employer are capable of performing, your qualifications or the qualifications of your firm. Do not make or imply any assurances regarding any financial product except to communicate accurate information regarding the product.

### 3.0 Responsibilities to the Profession

CIM<sup>®</sup> designates will operate in accordance with financial services regulation governing the activity you are conducting and licensed to provide, and in accordance with the law, and CIM<sup>®</sup>s have a responsibility to conduct themselves with honesty, trust, competence and abide by the terms of the CIM<sup>®</sup> Certification Mark License Agreement entered into with CSI Global Education.

**As a CIM<sup>®</sup> you will:**

- 3.1 Enter into associations only if you can maintain your professional integrity.
- 3.2 Only use the CIM<sup>®</sup> designation in a dignified and judicious manner and in compliance with the CIM<sup>®</sup> Certification Mark License Agreement.
- 3.3 Not engage in any professional conduct involving dishonesty, fraud, deceit or misrepresentation, or commit any act that reflects adversely on your honesty, trustworthiness, or professional competence.

### 4.0 Responsibilities to the Employer

In addition to the General Responsibilities, Client Responsibilities, and Responsibilities to your Profession within this code; you also have responsibilities in dealing with your employer.

**As a CIM<sup>®</sup> you will:**

- 4.1 Place your employer's interests ahead of your own and not exploit your position for personal advantage.
- 4.2 Disclose to your employer all matters that reasonably could be expected to interfere with your duty to your employer.
- 4.3 Comply with any prohibitions on activities imposed by your employer if a conflict of interest exists.

## Ethical Misconduct Process

### 1.0 Designation Ethics Committee

#### 1.1 Purpose of the Designation Ethics Committee

All CIM<sup>®</sup>s agree to comply with and abide by the responsibilities and ethical standards established in the CIM<sup>®</sup> Code of Ethics. If a complaint is made against a CIM<sup>®</sup>, the complaint is referred to the Designation Ethics Committee. The Designation Ethics Committee considers any alleged violation of the CIM<sup>®</sup> Code of Ethics and determines whether the CIM<sup>®</sup> Code of Ethics has been breached and if so, an appropriate penalty. The Designation Ethics Committee was established to ensure all complaints are heard promptly and fairly.

#### 1.2 Composition of the Designation Ethics Committee

Members of the Designation Ethics Committee are appointed by The FCSI National Council and CSI designation Advisory Councils. The Designation Ethics Committee Council also appoints a Chairperson. The Designation Ethics Committee consists of between five and eight members:

- Who have earned and is a member in good standing of at least one of the following designations: CIM<sup>®</sup>, FCSI, CSWP™, PFP<sup>®</sup>, MTI<sup>®</sup> (not required for CSI employee members).
- Who are members of a National or Designation Council or are CSI employees holding a minimum position of Director.

No member who participates in the investigation of the allegation against the CIM<sup>®</sup> may sit on the Designation Ethics Committee. No person may sit on both the Designation Ethics Committee and the Designation Appeals Committee.

### **1.3 How the Designation Ethics Committee Functions**

A minimum of three members of the Designation Ethics Committee must be present to adjudicate a complaint. CSI provides each member of the Designation Ethics Committee with a copy of the case file. At the Designation Ethics Committee meeting, the CSI Investigator presents the case and answers any questions. The Designation Ethics Committee hears all the evidence presented, including any written explanations submitted by the CIM<sup>®</sup>. The Designation Ethics Committee decides, through a majority vote, if a violation of the CIM<sup>®</sup> Code of Ethics has occurred. If it is decided by the Designation Ethics Committee that a violation has occurred, the members of the Designation Ethics Committee also decide on a penalty.

If the CIM<sup>®</sup> is already under external investigation or subject to external proceedings, the Designation Ethics Committee may delay an investigation until the external investigation or proceedings are concluded.

If external findings result in disciplinary action, the findings are forwarded to the Designation Ethics Committee to proceed with the steps outlined in Section 1.4.1.

### **1.4 Complaint Process**

When a suspected violation of the CIM<sup>®</sup> Code of Ethics is brought to CSI's attention, by an external party (including, but not limited to, client, colleague, member of the public, regulator) or by the CIM<sup>®</sup> themselves, the matter is referred to the Designation Ethics Committee. Where notices or letters in writing are required, the notice or letter will be considered to be in writing by either e-mail or posted mail.

The complaint process is as follows:

#### **1.4.1 When the Allegation is brought to CSI's Attention by an External Party or Employer**

The party making the allegation must send the complaint to CSI in writing. The complaint must outline which section(s) of the CIM<sup>®</sup> Code of Ethics the CIM<sup>®</sup> allegedly breached. The complaint must also include details of the allegation as well as any supporting documentation. When CSI receives the complaint, it will be scanned and e-mailed directly to the Designation Ethics Committee.

The Designation Ethics Committee reviews the allegation to determine if it is within the scope of the CIM<sup>®</sup> Code of Ethics. If the Designation Ethics Committee determines the allegation is not within the scope of the CIM<sup>®</sup> Code of Ethics, CSI sends a letter to the party alleging the violation explaining why.

If the Designation Ethics Committee determines the allegation is within the scope of the CIM<sup>®</sup> Code of Ethics, the Designation Ethics Committee refers the case back to CSI where an Investigator is appointed. The CSI Investigator will:

- Write a letter to the party making the allegation to advise the party of process and timing
- Collect additional information and/or evidence regarding the alleged violation
- Write a letter to the CIM<sup>®</sup> to advise him or her of the complaint and request a written response. The CIM<sup>®</sup> is given at least twenty (20) business days notice in writing of the complaint to respond. The letter outlines the section(s) of the CIM<sup>®</sup> Code of Ethics the CIM<sup>®</sup> allegedly violated and describes how the alleged violation occurred. The notice also states the date the Designation Ethics Committee will meet to consider the violation and the date by which a response must be received from the CIM<sup>®</sup>. The CIM<sup>®</sup> may respond to the complaint in writing only. This response must be received by the deadline in order to be considered. The deadline for response is 48 hours prior to the Designation Ethics Committee meeting.
- Prepare a written summary which includes detailed information about the complaint, evidence, and any explanations of defense by the CIM<sup>®</sup>. The written summary is forwarded by the CSI Investigator to the Designation Ethics Committee.

The Designation Ethics Committee meets to review the case and make a decision. The CIM<sup>®</sup> is not entitled to be present at the adjudication, nor can the CIM<sup>®</sup> submit oral arguments.

#### **1.4.2 When the Allegation is brought to CSI's Attention by the CIM<sup>®</sup> during the annual CIM<sup>®</sup> License Renewal Process**

CSI will not process the CIM<sup>®</sup>'s renewal until the CIM<sup>®</sup> sends to CSI the paperwork relating to the allegation. When CSI receives the paperwork, CSI forwards it to the Designation Ethics Committee for consideration. The Designation Ethics Committee decides one of the following:

- The CIM<sup>®</sup>'s renewal should be processed as long as the CIM<sup>®</sup> agrees to keep CSI informed of all developments relating to the allegation.
- The CIM<sup>®</sup>'s renewal should not be processed until the external investigation(s) or proceedings are complete.
- The CIM<sup>®</sup>'s renewal should not be processed until the allegation is investigated by CSI and adjudicated by the Designation Ethics Committee.

#### **1.5 Types of Penalties Imposed**

If, after considering the evidence of the alleged violation, and any explanations made by the CIM<sup>®</sup>, the Designation Ethics Committee is of the opinion that the CIM<sup>®</sup> has violated the CIM<sup>®</sup> Code of Ethics, the Designation Ethics Committee may impose one or more penalties. The Designation Ethics Committee responds to each case on an individual basis and imposes the most appropriate penalty. The penalties may include the following:

- A written reprimand from the President of CSI and the Chair of the Designation Ethics Committee.
- Notifying the appropriate regulatory body for possible further investigation
- Publicizing the violation in the CIM<sup>®</sup> newsletter
- Recording the violation in the CIM<sup>®</sup>'s record
- Requiring the CIM<sup>®</sup> to complete a supplementary ethics course(s)
- Requiring the CIM<sup>®</sup> to complete an additional professional development course(s)
- Suspending the CIM<sup>®</sup>'s membership and use of the CIM<sup>®</sup> Certification Mark:
  - for a specified period
  - indefinitely, specifying conditions for reinstatement
  - permanently
- Imposing other measures deemed appropriate by the Designation Ethics Committee

#### **1.6 Designation Ethics Committee Decision**

The CSI Ethics Investigator sends an e-mail or registered letter to the CIM<sup>®</sup>, within twenty (20) business days of the Designation Ethics Committee making the decision. This letter states the decision of the Designation Ethics Committee and the penalty imposed, if any. This letter is kept on file indefinitely and a notice attached to the CIM<sup>®</sup>'s record.

## **2.0 Appeals**

A CIM<sup>®</sup> who is found by the Designation Ethics Committee to have breached the CIM<sup>®</sup> Code of Ethics has the right to appeal the decision to the FCSI National Council. A request for an appeal should be sent to the FCSI National Council in writing (e-mail or posted) within twenty (20) business days from the date the notice of the Designation Ethics Committee decision is either e-mailed or sent by registered mail to the CIM<sup>®</sup>. Any penalties are not enforced until the FCSI National Council Committee makes a decision on the appeal.

Neither the Investigator, nor the person who presents the case may participate in the appeals decision.

A minimum of three of the members of the FCSI National Council must be present to hear any appeal. One of the members present is appointed as Chairperson. Each member votes on a decision and the decision is based on the majority vote. The Chairperson only votes when there is a tie vote.

### **2.1 Appeals Process**

A CIM<sup>®</sup> who is found guilty of a violation of the CIM<sup>®</sup> Code of Ethics has twenty (20) business days from the date the notice of the Designation Ethics Committee decision is sent to request an appeal to the FCSI National Council.

The CIM<sup>®</sup> requesting the appeal is given at least twenty (20) business days' notice in writing of the time, date and place of the appeal hearing. This notice provides the details of the alleged violation and the original decision of the Designation Ethics Committee.

No penalties decided upon by the Designation Ethics Committee are imposed until the FCSI National Council makes its decision.

A representative of the Designation Ethics Committee presents the evidence upon which the Designation Ethics Committee based its decision. The CIM<sup>®</sup>, and his or her representative, can be present at this hearing. The CIM<sup>®</sup> or his or her representative may call, examine and cross-examine witnesses. No one other than the members of the Designation Ethics Committee representative presenting the case, the CIM<sup>®</sup> and his or her representative, and any witnesses may attend. All proceedings are confidential. Proceedings of the Appeals may be held by telephone conference.

### **2.2 Appeals Decision**

After listening to both sides of the case, the FCSI National Council either confirms or varies the decision of the Designation Ethics Committee. The council may impose any penalties permitted by the Designation Ethics Committee, or any other penalty they feel is appropriate. The decision of the council is final and there are no further appeals or reviews of the decision.

All decisions of the FCSI National Council are in writing. Copies of the decision and the reasons for the decision are sent to CSI within ten (10) business days of the date of the decision. This letter is kept on file indefinitely and a notice attached to the CIM<sup>®</sup>'s record.