



EXPERIENCE | EXCELLENCE | EMPOWERMENT 

INSTITUTE OF ADVANCED FINANCIAL PLANNERS

IAFP[®]

Body of Knowledge

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IAFP® Body of Knowledge

FOREWARD

This Body of Knowledge is a summary of the schedule of technical knowledge a candidate for the R.F.P. must possess in order to successfully challenge the IAFP exams.

Where not explicitly stated, as applicable, you must be prepared to:

- a. Identify
- b. Define
- c. Explain
- d. Calculate
- e. Apply
- f. Identify issues of suitability
- g. Discuss the advantages and disadvantages of any of the subjects in this Body of Knowledge

Furthermore, you must be familiar with:

- a. Terminology
- b. Contribution Limits
- c. Withdrawal requirements and limitations
- d. Penalties for not complying with the rules
- e. Qualified investments for any of the accounts or strategies identified in this Body of Knowledge

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Take Action on Implementation	40
Perform Periodic Reviews, Updates and Revisions	40

THE CANADIAN FINANCIAL SERVICES MARKETPLACE AND REGULATORY ENVIRONMENT

Canadian Financial Services Marketplace

1. Types Of Financial Institutions in Canada
2. Financial Instruments Available in Canada
3. Financial Marketplace, Secondary Markets
4. Financial Intermediaries
5. Protected Titles

Canadian Regulatory Environment

1. Financial Services Industry Oversight Organizations - Federal
 - 1.1. Office Of the Superintendent of Financial Institutions (OSFI)
 - 1.2. Office Of the Privacy Commissioner Of Canada (OPC)
 - 1.3. Financial Transaction and Report Analysis Centre Of Canada (FINTRAC)
 - 1.4. Investment Industry Regulatory Organization of Canada (IIROC)
 - 1.5. Mutual Funds Dealers' Association (MFDA)
 - 1.6. Financial Consumer Agency of Canada (FCAC)
2. Mandates
 - 2.1. Office Of the Superintendent of Financial Institutions (OSFI)
 - 2.2. Office Of the Privacy Commissioner Of Canada (OPC)
 - 2.3. Financial Transaction and Report Analysis Centre Of Canada (FINTRAC)
 - 2.4. Investment Industry Regulatory Organization Of Canada (IIROC)
 - 2.5. Mutual Funds Dealers' Association (MFDA)
 - 2.6. Financial Consumer Agency of Canada (FCAC)
3. Regulation
 - 3.1. Proceeds Of Crime (Money Laundering) And Terrorist Financing Act (PCMLTFA)
 - 3.2. Personal Information Protection and Electronic Documents Act (PIPEDA)
4. Regulation Of Mutual Funds and Securities in Canada
 - 4.1. Jurisdiction
 - 4.2. Securities Regulatory Authorities in Canada & Their Mandates
 - 4.3. The Principles of Regulation

- 4.4. Self-Regulated Organizations in Canada
- 4.5. Canadian Securities Administrators (CSA)
- 4.6. Dispute Resolution
- 5. Regulation Of Insurance in Canada
 - 5.1. Federal Legislation
 - 5.2. Provincial And Territorial Legislation
 - 5.3. Insurance Regulators in Canada & Their Mandates
 - 5.4. Principles Of Regulation
 - 5.5. Canadian Council of Insurance Regulators (CCIR)
 - 5.6. Canadian Insurance Services Regulatory Organization (CISRO)
 - 5.7. Consumer Protection (Assuris)
 - 5.8. Disciplinary Penalties
 - 5.9. Insurance And the Banks
 - 5.10. Dispute Resolution

ECONOMICS

Macroeconomics

- 1. The Market Cycle & Its Phases
- 2. Economic Cycles Vs Investment Market Cycles
- 3. Economic Indicators & Economic Cycles
- 4. Measuring GDP & Economic Growth
- 5. Unemployment Rate & Its Impact
- 6. Interest Rates & Their Impacts
- 7. Exchange Rates & Their Impacts on The Canadian Economy
- 8. The Yield Curve
- 9. Currency Appreciation / Depreciation & The Impact
- 10. Changes In Price Levels
- 11. Measurements Of Inflation & Its Impact
- 12. Deflation & Its Impact
- 13. Money Supply System in Canada

Economic Policy

1. Fiscal Policy
2. Budget Surplus & Deficit
3. Deficit Vs. Debt
4. Fiscal Policy Tools
5. Contractionary And Expansionary Fiscal Policy
6. Fiscal Policy Impact
7. Exchange Rates and Asset Values.
8. Monetary Policy
9. Expansionary And Contractionary Monetary Policy
10. Monetary Policy Impact
11. The Canadian Economy and Foreign Monetary Policy
12. Digital Currency

Microeconomics

1. The Price System: Supply & Demand
2. Demand & Supply Elasticity
3. Consumer Behaviour: Determinants of Demand
4. Demand & Taxation
5. Producer Behaviour: Determinants of Supply
6. Market Structures: Monopoly, Monopolistic Competition, Oligopoly
7. Government Actions in Markets

FINANCIAL PLANNING PROCESS

Personal Financial Planning

1. Need For Structured Financial Planning
2. How Your Clients' Life Cycle Affects Their Personal Financial Plan
3. The Impacts of External Forces on Personal Financial Planning
 - 3.1. Demographics
 - 3.2. Interest Rates

- 3.3. Inflation
- 3.4. Income Tax Laws
- 4. Financial Professionals
 - 4.1. Segmented Plans Vs. Comprehensive Plans
 - 4.2. Title Protection

Financial Planning Ethics & Practice Standards

- 1. The Financial Planning Process
 - 1.1 IAFP Code Of Ethics
 - 1.2 IAFP Practice Standards
- 2. Step 1 – Establish the Client-Planner Engagement
 - 2.1 The Letter of Engagement
 - 2.2 Defining The Scope and Duration of The Engagement
 - 2.3 Disclosing Compensation and Conflicts of Interest
- 3. Step 2 – Gather Client Data and Determine Objectives
 - 3.1 Establishing Objectives
 - 3.1.1 Prioritizing Objectives
 - 3.1.2 Life goal planning to address replacing non-financial needs and skills lost from work
 - 3.2 Collecting Client Data
 - 3.2.1 Quantitative Information
 - 3.2.2 Qualitative Information
 - 3.2.3 Confidentiality
- 4. Step 3 – Clarifying Present Financial Status and Identifying Problem Areas And Opportunities
 - 4.1 Preparing Financial Statements
 - 4.2 Risk Management Needs and Coverage
 - 4.3 Investments
 - 4.4 Taxation
 - 4.5 Retirement
 - 4.6 Employment/Business
 - 4.7 Estate Planning
 - 4.8 Education Planning
 - 4.9 Special Needs
 - 4.10 Other Capital Needs

5. Step 4 – Developing and Presenting the Financial Plan
 - 5.1 Assumptions
 - 5.2 Evaluating Strategies
 - 5.3 Identifying Recommended Strategies
 - 5.4 Presenting Plan to Client
 - 5.5 Establishing A Review Cycle
6. Step 5 – Implementing the Financial Plan
 - 6.1 Revising Letter of Engagement
 - 6.2 Planner’s Responsibilities
 - 6.3 Selecting Products and Services
 - 6.4 Recommending Other Advisors
7. Step 6 – Monitoring the Financial Plan
 - 7.1 Planner’s Responsibilities
 - 7.2 Revising Letter of Engagement

FINANCIAL MANAGEMENT

Income, Taxes & Lifestyle Expenditures

1. Employment Income and Benefits
 - 1.1. Direct Compensation Types
 - 1.2. Indirect Compensation – Benefits
 - 1.3. Employee Rights at Termination
2. Lifestyle Expenditures -Average Expenditures
3. The Consumer Price Index Vs. Your Personal Price Index

Money Management

1. Personal Perceptions of Money
2. the Money Management Process
3. Understanding Credit
4. Operating An Automobile

Home Ownership

1. Home Ownership
2. Mortgages
3. Other Sources of Financing
 - 3.1. First-Time Buyers Tax Credit
 - 3.2. Home Accessibility Tax Credit
 - 3.3. Employee Low-Interest Housing Loan
4. Home Buyers' Plan
5. Principal Residences
 - 5.1. Exemption,
 - 5.2. Use to Produce Income and Tax Consequences
 - 5.3. Other Strategies Including Reverse Mortgages

Behavioural Finance

1. Mental Accounting, Heuristics, Biases, & Models

Planning For the Disabled

1. Tax Credits, Deductions and Benefits
2. Canada Caregiver Tax Credits
3. Medical Expenses Tax Credits
4. Other Benefits and Tax Credits
5. Canada Pension Plan-Disability Pension for Disabled Contributor and Children
6. Registered Education Savings Plans
7. Provincial Support for the Disabled -Henson Trust

Registered Disability Savings Plans

1. Registered Disability Savings Plan
2. Disability Assistance Payments

TAX PLANNING

The Personal Income Tax Return

1. Layout of the T1
 - 1.1. Identification, Pages 1 and 2
 - 1.2. Total Income, Page 3
 - 1.3. Net Income, Page 4
 - 1.4. Taxable Income, Page 5
 - 1.5. Non-Refundable Tax Credits, Page 6
 - 1.6. Federal Tax On Taxable Income, Page 7
 - 1.7. Refund Or Balance Owing, Page 8
 - 1.8. Capital Gains (Or Losses) – Schedule 3
 - 1.9. Investment Income - Schedule T1-Inv
 - 1.10. Tax Rates

Personal Tax Rates and Credits

1. Personal Income Tax Rates and Amounts
2. Federal Personal Income Taxes
3. Federal Personal and Family Tax Credits
4. Other Federal Tax Credits

Taxation of Employees

1. Canadian Residents Employed Outside of Canada
2. Taxable & Non-Taxable Benefits
3. Deductions From Employment Income

Deductions & Social Security Benefits

1. Personal Deductions
2. Social Security Benefits

Taxation of Property Income

1. Interest Income

2. Dividend Income
3. Specified Member of A Partnership
4. Rental Income
5. Capital Cost Allowance
6. Disposing of Depreciable Property
7. Eligible Capital Expenditures
8. Interest Expense
9. Fees Paid to Investment Counsel
10. Legal and Accounting Fees
11. Foreign Investment Property
12. U.S. Withholding Tax

Taxation of Capital Property

1. Capital Gains and Losses
2. Dispositions
3. Losses
4. Depreciable Property
5. Employee Stock Options
6. Rules For Certain Types of Property
7. Lifetime Capital Gains Exemption
8. Principal Residence Exemption
9. Rollovers
10. Entering Or Leaving Canada

Income Attribution, Split Income & Minimum Tax

1. Income Attribution
 - 1.1. Spouse/Common-Law Partner
 - 1.2. Related Minor
 - 1.3. Other Non-Arm's Length Individuals
2. Split Income
 - 2.1. Related Minor
 - 2.2. Other Family Members
3. Alternative Minimum Tax

Income Tax Compliance

1. Residency
2. Filing Returns
3. Filing Deadlines
4. Penalties For Late Filing or Failing To File
5. Paying Taxes
6. Paying Instalments
7. CPP Contributions
8. Instalment Options
9. Penalties and Interest
10. Taxpayer-Requested Adjustment
11. Fines and Penalties
12. Retroactive, Lump-Sum Payments

Enforcement

13. The Tax Audit
14. Reassessment of A Return
15. Notice of Objection
16. Tax Court of Canada
17. General Anti-Avoidance Rule
18. Taxpayer Relief Provisions
19. Voluntary Disclosures Program
20. Misrepresentation of Tax Matters by Third Parties

Income Tax and Benefit Planning

1. Strategies
 - 1.1. Avoidance
 - 1.2. Conversion
 - 1.3. Deferral
2. A Conceptual Approach
 - 2.1. Income Tax and Benefit Formula
 - 2.2. Income
 - 2.3. Expenditures

- 2.4. Applying A Conceptual Approach
- 2.5. Advance Income Tax Rulings
- 3. Tax and Clawback Rates
 - 3.1. Marginal Tax Rate
 - 3.2. Effective Tax Rate
 - 3.3. Marginal Clawback Rate
 - 3.4. Effective Clawback Rate

INVESTMENT PLANNING

Investment Planning

- 1. Determining Investment Objectives and Timeframe(s)
- 2. Defining & Measuring Investment Risks
- 3. Establishing & Documenting Minimum Acceptable Risk
- 4. Establishing & Documenting Maximum Acceptable Risk

Guaranteed, Interest-Producing Investments

- 1. Types Of Guaranteed Interest-Producing Investments
- 2. Special Features
- 3. Special Risks
- 4. Income Tax Considerations – Individuals & Trusts
- 5. Income Tax Considerations – Corporate
- 6. Considerations For Comparison & Pricing
- 7. Purchasing

Bonds And Debentures

- 1. Types Of Bonds and Debentures
- 2. Special Features
- 3. Special Risks
- 4. Income Tax Considerations – Individuals & Trusts
- 5. Income Tax Considerations – Corporate

6. Considerations For Comparison & Pricing
7. Trading / Purchasing

Common And Preferred Shares

1. Rights And Responsibilities of Shareholders
2. Types of Shares
3. Special Features
4. Special Risks
5. Stock Options
6. Income Tax Considerations – Individuals & Trusts
7. Income Tax Considerations – Corporate
8. Considerations For Comparison & Pricing
9. Trading / Purchasing

Investment Funds

1. Mutual Funds
2. Segregated Funds
3. Exchange Traded Funds
 - 3.1. Leveraged ETFs
4. Principal Protected Notes
5. Income Tax Considerations – Individuals & Trusts
6. Income Tax Considerations – Corporate
7. Considerations For Comparison & Pricing

Derivatives

1. Types Of Derivatives
2. Special Features
3. Special Risks
4. Income Tax Considerations – Individuals & Trusts
5. Income Tax Considerations – Corporate
6. Considerations For Comparison & Pricing
7. Trading / Purchasing

Income Trusts

1. Types Of Income Trusts
2. Special Features
3. Special Risks
4. Income Tax Considerations – Individuals & Trusts
5. Income Tax Considerations – Corporate
6. Considerations For Comparison & Pricing
7. Trading / Purchasing

Alternative Investments

1. Real Estate
2. Hedge Funds
3. Cryptocurrency
 - 3.1. Blockchain
4. Private Equity
 - 4.1. Offering Memorandum
5. Terminology & Transactions
6. Accredited Investors
7. Special Features
8. Special Risks
9. Income Tax Considerations – Individuals & Trusts
 - 9.1. Income Tax Considerations – Corporate
 - 9.2. Considerations For Comparison & Pricing
 - 9.3. Trading / Purchasing / Mining

Know Your Product (KYP)

1. History
2. Best Practices
3. Economic Analysis
4. Fundamental Analysis
5. Technical Analysis
6. Risk Analysis
7. Packaged Investment Specific Considerations

8. Benefits
9. Challenges
10. Other Considerations

Account Structures

1. RRSP, SRSP, RRIF & SRIF
2. LIRA, LRSP, LIF, RLIF, LRIF & PRIF
3. RESP
 - 3.1. Special Cross-Border Risks
4. RDSP
5. TFSA
 - 5.1. Special Cross-Border Risks
6. Non-Registered (Open)
7. Group And Employer-Sponsored Plans
 - 7.1. GRSP
 - 7.2. GTFSA
 - 7.3. GRESP
 - 7.4. DCP
 - 7.5. DBP
 - 7.6. RCA
 - 7.7. IPP
8. Other
 - 8.1. Margin
 - 8.2. Short
 - 8.3. Sweep
 - 8.4. Hedge
 - 8.5. Hypothecation

Investment Theory & Portfolio Design

1. Evolution Of Investment Theory
2. Psychology Of Investing
3. Wholistic Considerations Including All Other Assets and Liabilities
4. Creating an IPS

- 4.1. Investor Risk Profile
- 4.2. Strategic and Target Asset Allocations
- 4.3. Taxation Parameters
- 5. Portfolio Best Practices
 - 5.1. Concentration Risk
 - 5.2. Correlation
 - 5.3. Rebalancing
 - 5.4. Intentional Use of Superficial Loss Rules
 - 5.5. Cost Disclosure
 - 5.6. Bulk Trades
 - 5.7. Leverage
 - 5.8. Reporting
- 6. Plan Implementation & Best-Efforts Basis

RISK MANAGEMENT AND INSURANCE

Risk Management

- 1. Types of Risk
- 2. Insurance
 - 2.1. How Insurance Works
- 3. Insurers
 - 3.1. Private Insurance Companies
 - 3.2. Co-Operative Insurance
 - 3.3. Government Insurance
- 4. Insurance Companies
 - 4.1. Integrity and Financial Strength
 - 4.2. Financial Statements
 - 4.3. Qualitative Considerations

Risk of Disability

- 1. The Risk Management Process
- 2. Disability Insurance Policies Coverage

3. Government Disability Insurance Programs
 - 3.1. Canada Pension Plan
 - 3.2. Employment Insurance Benefits
 - 3.3. Workers' Compensation
4. Individual Contracts
5. Non-Traditional Disability Insurance
6. Disability Buy-Out Insurance
7. Business Overhead
8. Employer and Association Group Plans
9. Tax Implications of Disability
10. Evaluating A Disability Insurance Policy

Health Insurance

1. Government Health Insurance Plans
2. Extended Health Insurance Plans
3. Emergency Travel Health Insurance
4. Catastrophic Health Insurance
5. Income Tax Considerations

Critical Illness Insurance

1. Coverage
2. Medical Conditions
3. Policy Provisions
4. Riders
5. Premiums
6. Special & Hybrid Plans
7. Strategies
 - 7.1. Tactics and Rationale
 - 7.2. Critical Illness and Other Types of Insurance

Long-Term Care Insurance

1. Coverage
 - 1.1. Individual and Shared Coverage

- 1.2. Home Care and Facility Care
- 1.3. Income and Indemnity Plans
- 2. Medical Conditions
- 3. Policy Provisions
- 4. Riders
- 5. Premiums
- 6. Strategies
 - 6.1. Savings Vs. Insurance
 - 6.2. Selecting A Policy
 - 6.3. Long-Term Care and Other Types of Insurance

Life Insurance

- 1. Risk of Death
 - 1.1. Life Expectancies
- 2. Life Insurance Needs Analysis
- 3. Parties To A Life Insurance Policy
- 4. Policyowner
 - 4.1. Successor and Subrogated Policyowners
 - 4.2. Joint Ownership
 - 4.3. Minor As Policyowner
- 5. Lives Insured
 - 5.1. Insurability
- 6. Beneficiary
 - 6.1. Designation
 - 6.2. Irrevocable Beneficiary
 - 6.3. Creditor Protection
 - 6.4. Simultaneous Deaths
- 7. the Life Insurance Policy
 - 7.1. Statutory Requirements
- 8. Policy Provisions
 - 8.1. Insurable Interest
 - 8.2. Premiums
 - 8.3. Wrongful Death

- 8.4. Death Benefit
- 9. Policy Riders
- 10. Individual Term Life Insurance
- 11. Group Term Life Insurance
- 12. Permanent Life Insurance
- 13. Whole Life Insurance
- 14. Term 100 Policies
- 15. What's the Difference?
- 16. Universal Life Insurance
- 17. Beneficiary Designations
- 18. Taxation of Life Insurance

Life Insurance Industry Regulation

- 1. Legislation
 - 1.1. Federal Legislation
 - 1.2. Provincial and Territorial Legislation
- 2. Consumer Protection
- 3. Life Insurance Contracts
- 4. Strategies
 - 4.1. Personal Financial Objectives
 - 4.2. Strategies

Property & Casualty Insurance

- 1. Property and Liability Insurers
 - 1.1. Consumer Protection
- 2. Premiums and Deductibles
- 3. Personal Property Insurance
 - 3.1. Forms of Property Insurance Coverage
 - 3.2. Terminology
 - 3.3. New Dwelling Agreement
 - 3.4. Personal Property
 - 3.5. Additional Coverages
 - 3.6. Condominium Insurance

- 3.7. Tenant's Package
- 3.8. Statutory Clauses
 - 3.8.1. Mortgage Clause
- 4. Liability Insurance
 - 4.1. Homeowners' Legal Liability Insurance
 - 4.2. Types of Legal Liability
 - 4.2.1. Personal Liability
 - 4.2.2. Tenant's Liability
 - 4.2.3. Employer's Liability
 - 4.2.4. Business Liability
 - 4.2.5. Premises Liability
 - 4.3. Voluntary Medical Payments
 - 4.4. Voluntary Payment for Damage To Property
 - 4.5. Commercial Property and Liability Insurance
 - 4.6. Professional Liability Insurance
- 5. Risk of An Automobile Accident
 - 5.1. Accident Benefits
 - 5.2. Collision and Comprehensive Insurance
 - 5.2.1. Variations
 - 5.3. Third Party Liability
 - 5.4. Uninsured Automobile Insurance
 - 5.5. Good Faith
 - 5.6. Premiums
 - 5.7. Making A Claim

Insurance Contracts

- 1. The Legal Framework of Insurance Contracts
 - 1.1. Definition of An Insurance Contract
 - 1.2. Essential Elements of Contracts
 - 1.3. Formation of An Insurance Contract
 - 1.4. Components of An Insurance Contract
 - 1.5. Characteristics of An Insurance Contract
 - 1.6. Contract Remedies

- 1.7. Renewal of Term Policies
 - 1.7.1. Non-Cancellable
 - 1.7.2. Guaranteed Renewable
 - 1.7.3. Conditionally Renewable
 - 1.7.4. Optionally Renewable
 - 1.7.5. Cancellable

RETIREMENT PLANNING

Retirement Planning

- 1. Demographics
 - 1.1. Life Expectancy
 - 1.1.1. Limitations on Using in Modelling
- 2. Retirement Decisions
 - 2.1. Expenditure Planning for Both Time and Money
 - 2.2. Retiring Prior To Normal Retirement Age
 - 2.3. Life Goal Planning to Address Replacing Non-Financial Needs and Skills Lost From Work
 - 2.4. Life Annuity Versus Registered Retirement Income Fund
 - 2.5. Pension Benefits Upon Termination Of Employment

Old Age Security

- 1. Old Age Security
 - 1.1. Eligibility
 - 1.2. OAS Pension & Clawback
 - 1.3. Voluntary Deferral of OAS Pension & Clawback Avoidance Strategy
- 2. Guaranteed Income Supplement
- 3. Benefits and Indexing

Canada Pension Plan

- 1. Canada Pension Plan Benefits
- 2. Contributions

3. Pensionable Earnings
4. Retirement Benefits
5. Survivor Benefits
6. Disability Benefits
7. Combined Survivor and Disability Benefits
8. Indexation
9. Decisions In Managing Contributions & Benefits

RRSPs & RRIFs

1. Contributions & Overcontributions to an RRSP
2. Transfers To a RRIF
3. Benefits From an RRSP
4. Benefits From a RRIF
5. Spousal and Common-Law Partner Plans
6. Retiring Allowance
7. Beneficiary Designations
8. Creditors' Claims
9. Death Of a Taxpayer
10. Questions For RRSP Investors
11. Strategies

Employer-Sponsored Pension Plans

1. Defined-Contribution Pension Plans
2. Defined-Benefit Pension Plans
3. Individual Pension Plan
 - 3.1. Advantages/Disadvantages
4. Pooled Registered Pension Plans
5. Target Benefit Plans
6. Defined-Benefit Vs. Defined-Contribution Plans
7. Strategies

Regulation Of Registered Pension Plans

1. Pension Benefits Standards Act

- 1.1. Administration
- 1.2. Entitlements
- 1.3. Vesting
- 1.4. Benefits
- 1.5. Divorce
- 1.6. Death
- 1.7. Indexation
2. The Income Tax Act
 - 2.1. Registration
 - 2.2. General Rules
 - 2.3. Defined-Benefit Plans
 - 2.4. Defined-Contribution Plans

Other Savings Plans

1. Deferred Profit-Sharing Plans
2. Unregistered Pension Plans
3. Retirement Compensation Arrangement
4. Deferred Compensation Plans

Pension Adjustments

1. Pension Adjustment
2. Defined-Contribution Pension Plan
3. Deferred Profit-Sharing Plan
4. Defined-Benefit Pension Plan

Locked-In Retirement Accounts

1. Locked-In Retirement Accounts
2. Federal Pension Benefits Standards Act
3. Pension Benefits Act Of Ontario LIFs, LIRAs, Death, 50% Withdrawal, Death, Non-Residents
4. Other Provinces

Annuities

1. Registered & Unregistered Annuities

2. Term Annuities
3. Life Annuities
4. Indexed Annuities
5. Deferred Annuities
6. Advanced Life Deferred Annuities
7. Variable Payment Life Annuities
8. Income Tax Considerations
9. Prescribed Annuities
10. Variable Annuities

Retirement Investment Planning

1. Types Of RRSPs
2. Deferral Of Income Tax
3. Qualified Investments for Registered Plans
4. Anti-Avoidance Rules
5. Reverse Mortgages

Retirement Income Tax Planning

1. Tax Credits
2. Pension Income Splitting
3. Strategies

LAW & ESTATE PLANNING

Forms of Ownership

1. Beneficial Ownership
2. Sole Ownership
3. Life Interest
4. Joint Tenancy
5. Tenancies In Common
6. Ownership Through A Trust

7. Ownership Through A Corporation
8. Property With A Named Beneficiary
9. Choosing the Form of Ownership

Family Law

1. Family Relationships
 - 1.1. Spouses
 - 1.2. Common-Law Partners
 - 1.3. Descendants, Ascendants and Collateral Relatives
 - 1.4. Domestic Contracts
2. Termination of Marriage
3. Property Division Upon Family Breakdown
4. Property Rights of Common-Law Partners
5. Property Division and Income Tax
6. CPP Credit Splitting
7. Division of Pension Plans and Retirement Savings
 - 7.1. Registered Pension Plans
 - 7.2. RRSPs and RFIFs
8. Spousal Support
9. Child Support
10. Parental Support
11. Support Obligations and Estate Planning

Trusts

1. Trust Basics
 - 1.1. Beneficiary Interests
 - 1.2. Express, Resulting & Constructive Trusts
 - 1.3. Trusts For Persons Vs. Purpose Trusts
 - 1.4. Non-Discretionary Vs. Discretionary Trusts
 - 1.5. Inter Vivos Vs. Testamentary Trusts
 - 1.6. Personal Vs. Commercial Trusts
 - 1.7. Revocable Vs. Irrevocable Trusts
 - 1.8. Legislation

2. Requirements To Create A Trust
3. Rollover Trusts
4. Common Uses of Trusts
5. Duties and Powers of A Trustee
6. Ending Or Varying A Trust
7. Trusts & the Principal Residence Exemption
 - 7.1. Before 2017
 - 7.2. After 2016
8. Taxation of A Trust

Probate, Intestacy & Powers of Attorney

1. Estate Assets Versus Non-Estate Assets
2. Probate
 - 2.1. Probate Fees
3. Non-Estate Assets
4. Intestacy
 - 4.1. Provincial Intestacy Legislation
5. Powers of Attorney
 - 5.1. Powers of Attorney For Property
 - 5.2. Living Wills

Wills

1. Fundamentals
2. Multiple Wills
 - 2.1. Probate
3. Structure and Components of A Will
 - 3.1. Wills Variation Legislation

Charitable Donations

1. Types of Gifts
2. Taxation
3. Gifts of Capital Property
4. Bequests and Trusts

5. Exemption From Capital Gains Tax
6. Life Insurance
7. Charitable Gift Annuities
8. Art Donation Schemes
9. Death of A Taxpayer

Death & Taxes

1. Registered Retirement Plans
2. Other Registered Plans
 - 2.1. Pooled Registered Pension Plan (PRPP)
 - 2.2. Tax-Free Savings Account
 - 2.3. Registered Disability Savings Plan
 - 2.4. Home Buyers' Plan
 - 2.5. Lifelong Learning Plan
3. Deemed Disposition Upon Death
4. Income Tax Deductions & Tax Credits
5. the Final Returns
 - 1.1. the Final Return
 - 1.2. Optional Returns
 - 1.3. Return For Rights Or Things
 - 1.4. Return For A Partner Or Proprietor
 - 1.5. Clearance Certificate

United States Taxation

1. United States Persons
 - 1.1. Canada – United States Tax Treaty
2. Taxation of Investments
3. U.S. Estate and Gift Taxes
4. U.S. Gift and Estate Taxes As Applied To Canadians

Substitute Decisions

1. Decisions About Property

- 1.1. Continuing Power of Attorney For Property
- 1.2. Office of the Public Guardian and Trustee
2. Decisions About Personal Care
 - 2.1. Power of Attorney For Personal Care
 - 2.2. Guardian of the Person
 - 2.3. Office of the Public Guardian and Trustee
3. Provincial Legislation

EDUCATION PLANNING

Education Planning

1. Benefits Of Education Planning
2. Determining Appropriate Funding Amounts
 - 2.1. Culturally Relevant Factors & Family Values
 - 2.1.1. Eastern Culture
 - 2.1.2. Indigenous Culture & Statuses
 - 2.1.3. LGBTQIA2s+
 - 2.2. Juvenile Insurance as a Compliment or Alternative

Student Grants and Loans

1. Student Skills & Efforts
 - 1.1. Scholarships & Grants
 - 1.2. Employment Income
 - 1.3. Co-Op Programs
 - 1.4. Disability Insurance Retraining Benefits
2. Student Loans
 - 2.1. Federal
 - 2.2. Provincial
 - 2.3. Commercial
 - 2.4. Repayment
 - 2.5. Taxation

Registered Education Savings Plans

1. Individual, Family, & Group (Scholarship) RESPs
 - 1.1. CESG & CESB
 - 1.2. Provincial Incentive Programs
 - 1.3. Contribution Limits & Funding Strategies
 - 1.4. Qualifying For an AIP
 - 1.5. Withdrawal Limits
 - 1.6. Waiver of Withdrawal Limits
 - 1.7. Taxation of Withdrawals
 - 1.8. Rollover to RRSP
 - 1.8.1. Intentional Use of Rollover Provision
 - 1.9. Rollover To RDSP
 - 1.10. Death of a Subscriber
 - 1.11. Special Analysis of Family Plans and Significant Age Differences Between Beneficiaries
 - 1.12. Special Analysis Of Group (Scholarship) Plans

Other Savings Plans

1. Using a Parent's Excess TFSA Contribution Room
 - 1.1. Special Features
 - 1.2. Special Risks
2. Borrowing Against an Over-Funded Insurance Policy
 - 2.1. Special Features
 - 2.2. Special Risks
3. Borrowing Against an RRSP (Lifelong Learning Plan)
 - 3.1. Special Features
 - 3.2. Special Risks
4. In-Trust-For Accounts
 - 4.1. Special Features
 - 4.2. Special Risks
5. Family Cash-Flow

- 5.1. Students Living in The Family Home
- 5.2. Purchasing Real Estate for Student to Live In
- 5.3. Adult Children Active in Family Business

Students and Income Tax

- 1. Student Income Tax Planning
 - 1.1. Timing Of AIP
 - 1.2. Child Care Deductions
 - 1.3. Moving Expense Deduction
 - 1.4. Tax Credits and Credit Transfer

BUSINESS OWNERSHIP

Proprietorships & Partnerships

- 1. Sole Proprietors
 - 1.1. Suitability of a Sole Proprietorship
 - 1.2. Taxation of a Sole Proprietorship
- 2. General Partnerships
 - 2.1. Rules For Determining Existence of Partnership
 - 2.2. Partnership Agreement
 - 2.3. Partnership Property
 - 2.4. Interests and Duties of Partners
 - 2.5. Dissolution of Partnership
 - 2.6. How The Income Tax Act Views Partnership Income
 - 2.7. Drawings Versus Income
 - 2.8. Allocation of Income
 - 2.9. Capital Cost Allowance
 - 2.10. How The Income Tax Act Views a Partnership Interest
 - 2.11. Flow-Through of Losses And Deductions
 - 2.12. Advantages and Disadvantages of a General Partnership
 - 2.13. Suitability of a Partnership

3. Limited Partnerships
 - 3.1. Extent Of Limited Liability
 - 3.2. How The Income Tax Act Views Limited Partnerships
4. Limited Liability Partnerships
 - 4.1. How The Income Tax Act Views Limited Liability Partnerships
 - 4.2. Limited Liability Partnerships Versus Professional Corporations
5. Joint Ventures
 - 5.1. How The Income Tax Act Views Joint Ventures
6. Business Income of Proprietors and Partners
7. Partnerships of Corporations
 - 7.1. Deferral of Corporate Tax
 - 7.2. Income Accrual

Corporations

1. Characteristics Of Corporations
 - 1.1. Shares, Shareholders & Dividends
 - 1.2. Limited Liability
 - 1.3. Continuous Existence
 - 1.4. Public Corporations
 - 1.5. Private Corporations
 - 1.6. Investment Corporations
 - 1.7. Shareholders' Equity
 - 1.8. Types Of Shares
2. Corporation Taxation
 - 2.1. General Taxation
 - 2.2. Taxation Year
 - 2.3. Small Business Deduction
 - 2.4. Passive Investment Income
 - 2.5. Refundable Taxes on Investment Income
 - 2.6. Personal Services Business
 - 2.7. Corporate Income Tax Rates
3. Holding Companies
 - 3.1. Purpose of a Holding Company

- 3.2. To Hold Shares of an Operating Company
- 3.3. To Hold Investment Portfolios
- 3.4. For Estate Planning
- 3.5. To Hold Other Property
- 3.6. In Estate Freezes
- 3.7. Advantages & Disadvantages of Holding Companies
- 4. Professional Practices
 - 4.1. Unlimited Liability
 - 4.2. Tax Advantages
- 5. Benefits Of Incorporating
 - 5.1. Advantages
 - 5.2. Disadvantages
 - 5.3. Partnerships And Holding Companies
 - 5.4. Suitability of a Corporation
 - 5.5. Comparison Summary

Taxation Of Shareholders

- 1. The Owner/Manager
 - 1.1. Measures to Restrict Income Sprinkling
 - 1.2. Non-Eligible Dividends and the Small Business Deduction
 - 1.3. Capital Dividends
 - 1.4. Capital Gains Dividends
 - 1.5. Stock Dividends
 - 1.6. Salary
 - 1.7. Recovering Loans Made to the Corporation
 - 1.8. Recovering Shareholder's Capital
 - 1.9. Receiving Loans from a Corporation
 - 1.10. Shareholder Appropriations
 - 1.11. Tax Advantages for The Owner/Manager
 - 1.12. Shareholder Loans
- 2. Income Sprinkling
 - 2.1. Simplified Measures

Taxation Of Business Ownership

1. Lifetime Capital Gains Exemption
 - 1.1. Available to an Individual
 - 1.2. Net Income Versus Taxable Income
 - 1.3. Qualified Property
 - 1.4. The Capital Gains Deduction
 - 1.5. Multiplying the Capital Gains Exemption
 - 1.6. Alternative Minimum Tax
2. Rollovers
 - 2.1. Spouses/Common-Law Partners
 - 2.2. Other Rollover Trusts
 - 2.3. Transfers of Farming and Fishing Property
 - 2.4. Section 85 - Rollover to a Corporation
 - 2.5. Section 86 - Internal Reorganization Of Share Capital
 - 2.6. Section 97 - Rollover To A Partnership
 - 2.7. Eligible Small Business Corporation
 - 2.8. Former Business Properties

Buy-Sell Agreements

1. Need For a Buy-Sell Agreement
2. Types of Buy-Sell Agreements
 - 2.1. Cross-Purchase Agreement
 - 2.2. Share Redemption Plan
 - 2.3. Funding the Buy-Sell Agreement
3. Insured Corporate Buy-Sell Agreements
 - 3.1. Cross-Insured, Cross-Purchase Agreements
 - 3.2. Taxation of Cross-Insured, Cross-Purchase Agreements
 - 3.3. Corporate-Owned Insurance
 - 3.4. Taxation of Corporate-Owned Insurance
 - 3.5. Deductibility of Premiums On Corporate-Owned Life Insurance
 - 3.6. Corporate vs. Individually Owned Life Insurance
 - 3.7. Taxation Of Death Benefit Payable to a Corporation
4. Insured Partnership Buy-Sell Agreements

- 4.1. Direct Personal Ownership
- 4.2. Indirect Personal Ownership
- 4.3. Taxation

Estate Freezes

- 1. Freezing Non-Business Assets
 - 1.1. Objectives of an Estate Freeze
 - 1.2. Techniques For an Estate Freeze
 - 1.3. Gifting Directly
 - 1.4. Gifting to Inter Vivos Trust
 - 1.5. Income Attribution
 - 1.6. Sale Of Assets
- 2. Freezing Business Assets
 - 2.1. Objectives of an Estate Freeze
 - 2.2. Lifetime Capital Gains Exemption (LCGE)
 - 2.3. Creating a Holding Company
 - 2.4. External Freeze Under Section 85
 - 2.5. Internal Freeze Under Section 86
 - 2.6. Internal Freeze Under Section 85
 - 2.7. Section 85 Rollover to a Corporation
 - 2.8. Multiplying The Capital Gains Exemption
 - 2.9. A Stock Dividend Freeze
- 3. Income Sprinkling
 - 3.1. Tax On Split Income (TOSI) Rules
 - 3.2. Important Exclusions
 - 3.3. Further Information

PREPARING YOUR SAMPLE FINANCIAL PLAN

How To Prepare and Write a Comprehensive Financial Plan

This section of the Body of Knowledge outlines the requirement for the candidate to demonstrate the written application of the technical knowledge and skills expected of professional members of the IAFP in their day-to-day work as practicing financial planners. Once complete, the case outline and plan document are submitted to the IAFP plan review committee for peer review. To be accepted:

- the focus of the plan must be sufficiently complex to demonstrate the candidate's ability to provide advanced financial planning solutions
- the plan must be clear and easily comprehensible by the client.
- client confidentiality must be maintained at all times.
- the plan must be comprehensive and cover all aspects of the planning process as outlined in the practice standards.
- the plan must adhere to the code of ethics and practice standards for members of the IAFP.

Engagement & Disclosure Letter

1. Disclosures – Licensing, Credentials Leading To Title Use
2. Declaration of Any Conflicts of Interest
3. Identifying All Sources and Methods Of Compensation
4. Identifying Scope and Limitations of Analysis and Advice
5. Adherence With IAFP Code of Ethics and Practice Standards
6. Declaration Of E&O Coverage
7. Client Acknowledgement and Agreement Mandatory

Gather Data & Summarize Clients' Current Situation

1. Quantitative Information
 - 1.1. Cash Flow
 - 1.2. Net Worth
2. Qualitative Information

Establish Client Goals, Priorities and Concerns

1. Identify Clear & Measurable Goals and Objectives
2. Establish Respective Timelines

Identify Priorities, Concerns and Opportunities

Provide Written Recommendations and Alternative Solutions Using 'Required Elements' Format

1. Analysis
 - 1.3. Net Worth
 - 1.4. Cash Flow
 - 1.5. Investment Planning
 - 1.6. Retirement Planning
 - 1.7. Tax Planning
 - 1.8. Risk Management & Insurance Planning
 - 1.9. Estate Planning
 - 1.10. Education Planning (Where Appropriate)
 - 1.11. Special Needs (When Appropriate)
2. Plan Document
 - 2.1. Identify Alternative Solutions in Each Area of Analysis
 - 2.2. Recommend A Clear and Unbiased Course of Action

Take Action on Implementation

1. Specify a Timeline for Implementation of Each Recommendation
2. Identify Responsibilities for Implementation Between Client and Planner

Perform Periodic Reviews, Updates and Revisions to The Plan Review

1. Specify a Timeline for Review of the Financial Plan and Measuring Clients' Progress Towards Achieving Their Goals.