

ACADEMIC PATHS TO PROFESSIONAL DEVELOPMENT WITH



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A WHITE PAPER: ABSTRACT

Knowledge Bureau is a national post-secondary educational institute and publisher focused on excellence in financial education. Our mission is to provide professionals and their clients the knowledge and skills to make sound financial decisions in our world class virtual campus.

Knowledge Bureau is well positioned to deliver professional development solutions for knowledge competencies and practice management throughout Canada and around the world. Its courses are based on a thoroughly tested educational framework that supports strategic planning and technical training in a blended learning environment – online, in class, in office and practical experience working with practitioners and institutions for over 10 years.

This framework is called Real Wealth Management™; it revolves around four elements of family tax, financial and wealth planning: Accumulation, Growth, Preservation and Transition of Sustainable Wealth – that is, wealth with future Purchasing Power (after taxes, inflation and fees).

To achieve these long term results for all the generations in a family, value propositions offered by any one professional must often include a number of specialists to work within a strategic plan everyone can follow. For these reasons, we teach a consistent, client-centric process all stakeholders can use within that plan. Decision-making around three categories of financial triggers are explored: life, financial and economic events.

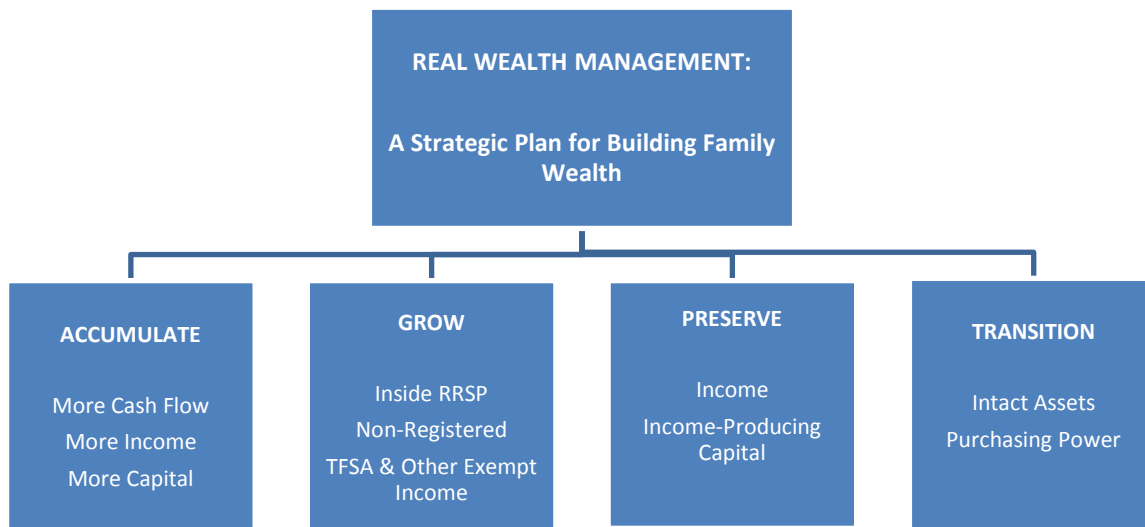
Knowledge Bureau's online courses, workshops, conferences, calculators and research libraries are making a significant difference in the results advisors and clients achieve together. We are the home of two designations: the MFA™ (Master Financial Advisor) and the Distinguished Financial Advisor™, featuring five areas of specialization. Execution of best practices is executed through *The Institute for Real Wealth Management*, the business development division of Knowledge Bureau.

TABLE OF CONTENTS

Abstract	1
Table of Contents	2
Philosophies of Education: Insights and Benchmarks	3
Knowledge Bureau: An Academic Path	10
Why Professional Designation	12
Educational Calendar	14
Private Clients	15
The Real Wealth Management Institute – Execution with Knowledge	16
In Summary – The Professional’s Opportunity	18
Appendix	19

PHILOSOPHIES OF EDUCATION: INTEGRATING KNOWLEDGE AND PRACTICE MANAGEMENT IS RIGHT FOR THE TIMES.

The Strategic Process of Real Wealth Management. Knowledge Bureau programming teaches an inter-advisory approach to the four elements of Real Wealth Management which encompasses the needs of multiple generations to build sustainable wealth.



Designated Specialists in the tax and financial services have three roles:

1. The Advisor as **Educator** in Financial Literacy
2. The Advisor as **Advocate** - From Individual to Intergenerational Focus
3. Regulatory Changes: **Stewardship** - A New Value Proposition

HISTORY OF PHILOSOPHY, INSIGHTS AND BENCHMARKS

The Role of the Designated Specialist as Educator in Financial Literacy

Since the unfolding of the financial crisis, financial literacy has been globally acknowledged as a key life skill according to the OECD¹. Increasingly, more responsibility for future financial well-being and financial decision-making is shifting from governments and the private sector onto the individual and families, who, in Canada specifically, must now pro-actively plan for postponed access to the OAS, a scarcity of employer-sponsored plans, unprecedented debt-to-disposable income ratios, as well as higher taxes.

¹ OECD/INFE High-Level Principles on National Strategies for Financial Education, August 2012

Financial education is required and critical in improving financial behaviors overall and a key driver in developing rapport and connection with clients to facilitate financial planning. The Report of the Task Force on Financial Literacy, stressed this in its Recommendation #7:

The Task Force recommends that financial services providers put a strong emphasis on delivering educational information and ensuring that it is fully understood by Canadians at “teachable moments” so that Canadians can make responsible financial decisions.²

Knowledge Bureau President, Evelyn Jacks, a member of the Task Force, appointed by Finance Minister Flaherty observed:

“More than any other single issue, we heard that the challenges of financial literacy affect every Canadian and bind us together in our mutual need for self-improvement. Financial illiteracy is the one issue that everyone can agree on: in a constantly changing financial world, improving here will help secure futures. Increasingly, as we see more responsibility for future financial well-being shifting to the individual, financial education is required to make confident decisions. An important new role of future financial advisors therefore emerges: that of educator, advocate and steward.”

INSIGHT: Conversations with clients that lead to a consistent experience in joint-decision-making to achieve financial goals require an element of financial education by professional advisors on a consistent and repeatable basis. Knowledge Bureau courseware includes client-facing e-books to support the advisor’s role as educator.

Demographics: Advocacy: From Individual to Intergenerational Focus

Advocacy. Older means richer: debt drops with age, financial assets grow over time, and wealth will increase - with the new growth time that expanding life spans bring to investments. Tax efficiency takes on new importance as capital preservation is a key ingredient in the ongoing ability to fund future income streams required. In addition, older means moving from capacity to incapacity, and eventually transitioning to the next generation.

The Real Wealth Manager is an Advocate in the successful transition of wealth from one generation to the next. Key demographic changes impact both tax and financial planning conversations today; because there are many stakeholders in the conversation. Key amongst these are:

² Report of the Task Force on Financial Literacy, 2010

1. **Seniors, Longevity & Savings.** According to Statistics Canada, average longevity in Canada is 81.3 years – making the retirement period of the average 60-year-old 21.3 years. However, those age 65, will live another 20.2 years. That healthy 60-year-old retiree therefore must fund an average of 25.2 years, 23.5 years for males and 16.6 years for women. A longer savings period is required to prepare for longer retirements.

INSIGHT: Knowledge Bureau courses and online tools assist with tax and financial planning solutions by helping advisors answer questions like “When should I start CPP benefits?” “How long will my RRSP last?” “How much money will we save through pension income splitting?”

2. **A Focus on both Income and Capital.** Age increases the demand for a collaborative role in tax and financial planning as dispositions of real estate and business ventures turn hard assets into financial assets. Valuation is an issue; so is tax readiness for sale or transfer, and the use of insurance to minimize tax erosion.

Professionals must be able to spot opportunities to increase income and preserve capital by answering questions like “How do I avoid high income brackets and surtaxes on my final return?” “What is the value of accrued capital gains in my taxable asset base?” “Will I be required to report my offshore properties?” “Am I subject to US estate taxes?” “How will currency fluctuations affect the soft costs I need to fund for my vacation property?” After-tax results for both income and capital are therefore a key priority in these discussions.

INSIGHT: Knowledge Bureau courses online can assist the advisor to shore up on knowledge gaps in more technical areas, and train support staff, to ensure there are no unintentional technical gaps and no lack of confidence in addressing client questions. This must include the tax consequences of decision-making.

Specialized online calculators have been developed to assist the advisor to lead the conversation through high level analysis of three financial documents: personal and family net worth statements, family tax returns and the integrated financial plans that lead to product selection. The result is a deeper client interview process, leading to more precise investment decision, and better after-tax results.

3. **Two Retirements, Not One.** Today both spouses are bringing their own assets into retirement, which requires the examination of attitudes of each towards planning and saving. Statistically, women are still more economically disadvantaged³

³ Do Men and Women Differ in Their Retirement Planning? Testing a Theoretical Model of Gendered Pathways to Retirement Preparation, [Jack Noone](#), University of Sydney, Sydney, AUSTRALIA, jack.noone@sydney.edu.au

compared to men; therefore retirement planning is of greater concern to women. Yet this may not be acknowledged in traditional conversations or advisor-client relationships. In fact, commonly, the advisor has a relationship with only one of the spouses, rather than both.

INSIGHT: Knowledge Bureau certificate programming addresses the following issues:

- a. Key planning conversations with couples that encompass the female view and her financial reality: longer required funding periods in retirement, which may include periods of vulnerability and incapacity. A consistent, professional approach to asking key trigger questions is required.*
 - b. Conversations must move from an individual focus to a family focus. There are significant tax savings opportunities in planning income due to pension income splitting in these cases, and the transfer of assets at appropriate times to avoid taxation in the future.*
 - c. Family wealth management, with the goal of intergenerational sustainability, requires the management of multiple capital pools. This requires a knowledge and understanding of several structures: individual accounts for each family member, the use of operating companies, holding companies and family trusts, as well as offshore accounts.*
4. **Late Life Divorces.** Marriage dissolution has a significant effect on taxes, pensions and investments. For many couples it is the most expensive financial event of their lifetimes. It has the most significant effect on women in higher income quintiles, according to a study by Statistics Canada.⁴ This is because women in higher income quintiles do not receive as much income from investments, capital gains, and private pensions as their married counterparts, even though they had similar levels of family income at age 54 to 56. Median income replacement rates at age 78 to 80 were highest for those who remained married (at 75%) as opposed to only 53% for those who were divorced.

INSIGHT: Conversations between professionals and their clients must encompass the after-tax consequences of deemed disposition of assets on family break-up due to divorce or death to ensure financial assets are not eroded or disbursed to the detriment of multiple stakeholders in the family as a whole. Tax consequences can erode much of this wealth, requiring input from a team of professionals, all working toward the same strategic outcome. Knowledge Bureau courses address these issues.

⁴ **Income Replacement Rates Among Canadian Seniors: The Effect of Widowhood and Divorce** by Sébastien LaRochelle-Côté, John Myles and Garnett Picot, June 2012.

5. **Reaching the heirs is critical.** The biggest worry for the very rich in Canada is that their children will squander the family fortune⁵. There is good reason, because inheritors do tend to bypass professional help.

A July 2009 study by BMO found that of those aged 65 or older who had received an inheritance, 75% did not speak to an advisor; of those age 45 to 65, 80% did not engage an advisor.⁶ Worse, in a study dated March 30, 2011, 25% of investors under 50 switched advisors within the immediately preceding 2 years, while 33% more planned to leave their advisors in the next year⁷.

INSIGHT: Conversations between advisors and their clients must include heirs and address their impactful and responsible role as substitute decision-makers and eventually, executors. Knowledge Bureau courseware addresses the need for an intergenerational wealth management solution and provide tools and resources to do so.

Stewardship - A New Value Proposition. Compliance is the most important component of the work of both tax and financial advisors today as international compliance matters move the work of global professionals forward. For the financial services, the Client Relationship Model being introduced over a phased-in period will require more disclosure relating to fees, conflicts of interest management and account suitability requirements based on suitability of solutions to client needs. For tax services, the enhanced audit powers of CRA require enhanced documentation to support tax filings.

INSIGHT: The Institute for Real Wealth Management, working in tandem with Knowledge Bureau, has the online tools, courses and research resources address this need by tracking the client experience.

The Institute for RWM and Knowledge Bureau can provide a turnkey opportunity for group learning within branches of professional practices and supplement this with individual learning experience supported by access to educational coaches, expert processes and instructors and follow-up through online simulations of the optimal client experience. The combination of both group study and one-on-one learning experiences provide a tested method for the acquisition of practical, deep knowledge required by confident professionals. Most important, it eliminates the embarrassing “fear of failure,” in front of peers or clients and the risk to required standards of professionalism by regulators.

Census Research of 165 Canadians worth more than \$10 Million.

⁶ Passing it on: What will future inheritances look like? BMO Financial Group, July 2009

⁷ Cisco's Internet business Solution Group, March 30, 2011

KNOWLEDGE AND EFFECTIVE EXECUTION:

How does a busy professional bring a tax plan or a financial plan to life for the client, especially a client who may not know what they don't know?

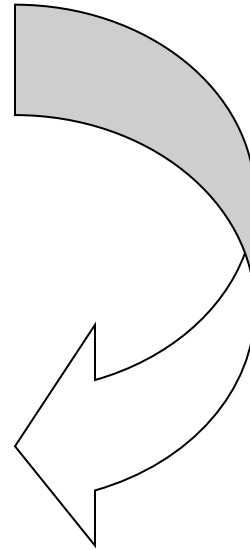
The educational framework developed by *Knowledge Bureau*, and the supporting practice management education delivered by *The Institute for Real Wealth Management*, supports a team approach to expanded conversations with clients, providing the knowledge and skills required by multiple professional stakeholders to execute on a Real Wealth Management Strategy, as illustrated on the next page.

More important, because of the extensive knowledge of both the tax and financial services businesses, Knowledge Bureau and the Institute can better work with government and business to do public policy research, in particular through its polling activities, public policy advocacy through its media commentary, promote collaboration between experts of government, academe, and industry on financial principles, strategies and processes and jointly organize conferences, workshops and online training with such organizations and provide leadership in support of desired outcomes.

THE FAMILY STAKEHOLDER TEAM:



THE ADVISOR STAKEHOLDER



KNOWLEDGE BUREAU: A LEADING POST-SECONDARY INSTITUTION FOCUSED ON PROFESSIONAL DEVELOPMENT IN THE TAX AND FINANCIAL SERVICES INDUSTRY.

An Academic Path in Continuing Education. Knowledge Bureau is the home of the *MFA™ (Master Financial Advisor)* and *Distinguished Financial Advisor Designations*, the *RWM™ (Real Wealth Manager) Designation*, the *Institute for Real Wealth Management™*, the *Distinguished Advisor Workshops™* and *The Distinguished Advisor Conference™ (DAC)* held annually in the US.

Knowledge Bureau is a national post-secondary educational institute; a preferred educational home for professionals seeking continuing education required for professional licensing from regulators and professional organizations and associations, and skills training for their team members.

Our certificate courses provide specialized technical competencies in the fields of personal and corporate taxation, investment, retirement, estate and succession planning leading to professional designation.

The MFA, who specializes in retirement, business or succession and estate planning, and the DFA-Tax or Bookkeeping Services Specialist is a graduate who has completed 180 of training in six related subject areas. This graduate is granted license to use the certification marks based on an annual confirmation of the highest Standards of Conduct in practice and dedication to ongoing continuing education.

Our Teaching Methodology. Knowledge Bureau has developed close to two dozen, 30-hour certificate courses. Each features 240-plus one-hour instructional modules followed by quizzes and case studies to simulate the client experience. Detailed lesson plans, testing and certification, provide accountability to the practical programming that helps students meet learning objectives. These courses are supplemented by Canada-wide full day workshops and the Distinguished Advisor Conference for ongoing professional development.

Our Instructors. Knowledge Bureau Faculty Members are experienced professionals from all sides of the tax, accounting and financial services industries who are expert writers, speakers and instructor - support the knowledge and skills taught with current, issues-based content that evolves with economic, fiscal and monetary policies.

Our Graduates. . . are confident advisors who learn to question their clients more purposefully and listen more actively to deliver the right tax, financial and wealth management solutions; results best summarized by students' experiences:

"I have been able to identify areas that I need to work on. I have found out that there is much more to learn and have identified areas that need more practice. I was very surprised to see how well I did do. My objectives are (these will remain so for as long as I live) to keep learning." **Robert A., ON.**

"Not only were my objectives met but my knowledge was broadened beyond my expectations. In addition, I find this (Investment Strategies in Charitable Giving) to be a true inspirational course! I don't know of a single person who doesn't want to save taxes and this is the perfect course for everyone! It brought to light the many incredible tax advantages which I never thought were possible. Before this course, I gave to charity with my heart. Now, I will also give with my heart but will certainly take advantage of the huge tax savings in the process by choosing from the many strategies and options. I can't wait to spread the knowledge." **Maria C. PQ.**

"The detailed approach to the tax efficient retirement income planning thought process, as well as the online tools were easily understood and very effective. What I liked best about this course was the understanding of the implications of tax on household income.

The calculators were particularly helpful in this area. Great tools. I also really appreciated the inclusion of "Strategic Philanthropy". This is an important area to discuss with clients, and one that Canadians generally need to be educated on. The Knowledge Journal was excellent, very comprehensive and a wealth of information that I will use in the future. Study group was very effective. Allowed us to share knowledge, understanding and client experiences to enhance information provided." **Joan M., ON**

"Elements of Real Wealth Management is a well-organized and comprehensive course written in simple, easy to understand language. The audio presentation is excellent . . . what I liked best was all the different calculators to assist in financial decision making."

R. Lam, ON.

"This course provides an extensive knowledge about the use of trust in tax and estate planning and is to be recommended as part of a background for a tax professional. It clearly spelled out the structure, advantages and disadvantages of each type of trust. The study cases give a valuable insight into handling a variety of situations where the establishment of a trust is warranted." **Halina S., AB**

"I would like to say that this is an outstanding course. There were quite a number of issues that were dealt with in the course that were of immediate use to me. I have had a few clients ask me about whether they should apply for CPP at 60 or wait until 65. Thanks to the course I know exactly what to tell them. Another issue is the recovery of tax on US property sales. It was nice to see the snowbird issues dealt with. These were presented as part of a larger picture but they are also stand-alones that people in my position can make immediate use of whether they are doing comprehensive retirement income planning or not." **Martin H., ON.**

Why Professional Designation? Advisors who have entered into the *Distinguished Financial Advisor* or *Master Financial Advisor* designation programs learn a consistent process for providing knowledge-based services that enhances the quality of the client experience in three ways:

1. **Professionalism:** excellence in technical competencies to enhance the value of advice provided; demonstrated by successful completion of 180 hours of study in their chosen field of specialization and the passing of 6 examinations;
2. **Consistent High Standards:** Annual relicensing after commitment to the highest Standards of Conduct in practice, and
3. **Ongoing Education:** A commitment to ongoing continuing education in order to maintain cutting edge knowledge, specialization and leadership role in relationship management.

ABOUT THE KNOWLEDGE BUREAU: A SNAPSHOT

Vision	Knowledge Bureau is a world class virtual campus that builds professional competencies in the tax and financial services.
Mission	Knowledge Bureau provides an academic path leading to continuing education certification, job skills diplomas and professional designations.
Mandate	<p>*To raise standards of excellence in the tax and financial services to enable more responsible decision-making by all stakeholders.</p> <p>*To develop inter-advisory teams with common knowledge in tax, investment, retirement, succession and estate planning.</p> <p>*To provide course components that is immediately applicable in fostering client-centric relationships.</p>

THREE KEY ROLES FOR THE MFA and DFA-Tax Services SPECIALIST:

1. **Educator:** What are the Financial Triggers requiring decision-making?
2. **Advocate:** Who are the stakeholders in this process?
3. **Steward:** Who is accountable for compliance and results?

TOOLS FOR ANALYSIS AND MEASURABLE ACCOUNTABILITY:

1. **Personal Net Worth Statement**
2. **Tax Return**
3. **Financial Plan**

Tens of Thousands Have Participated. Over the past decade Knowledge Bureau has introduced tens of thousands of participants to Real Wealth Management™:

over 140,000 CE Module registrations

over 21,000 Knowledge Bureau Report subscribers

over 15,000 Certificate Courses Taken

over 6,000 Self Study Students

over 5,900 Regional Workshop & Distinguished Advisor Conference Attendees

Accredited and Recognized. Knowledge Bureau is a designated educational institute recognized by the Canada Revenue Agency for the purposes of tuition fee deductibility and by Human Resources and Skills Development Canada. Many of our programs are accredited with various organizations including IIROC, Insurance Councils, FPSC and various professional accounting associations.

A Leading Canadian Financial Textbook Publisher. Knowledge Bureau is a leading publisher of financial books and e-books for the public. It has established numerous best-selling financial authors and is a leading source of interpretive news to the media through Knowledge Bureau Report, its online news service. Its bestselling consumer titles include *The Smart Savvy Young Consumer*, *Jacks on Tax* and *Essential Tax Facts*, *Master Your Retirement* and *The One Financial Habit That Can Change Your Life*. New this year: *Canadians and the IRS*, *Financial Photographs* and *Empower Your Presence*.

Community Leadership. Knowledge Bureau has co-founded the *Manitoba Financial Literacy Forum* with the Manitoba Securities Commission. Its President, **Evelyn Jacks**, was a member of the *Federal Task Force on Financial Literacy*, appointed by Finance Minister Flaherty. Ms. Jacks has also twice been named one of Canada's Top 25 Women of Influence, and is the best-selling author of 51 books on tax, management and wealth planning.

Blended Learning Environment: Designated Professionals with Knowledge Bureau have taken their training using an all-inclusive component list of professional tools and supports in a blended learning environment: online and in the classroom.

- **Virtual Campus Tools and Research Library:** Evergreen Explanatory Notes and Knowledge Bureau Calculators, Online Reference books, lesson plans, instruction, and quizzes
- **Case Study Simulation:** True-to-life Case Studies using student versions of leading industry software (when applicable)
- **Access to Instructors who are Industry Experts:** Course writers and instructors who have earned reputations for excellence in their field
- **Education Coaches:** To assist with course content selections and scheduling



2014 EDUCATIONAL CALENDAR



Plan Your Path to Professional Designation

Register online at www.knowledgebureau.com or call 1-866-953-4769

JANUARY In-Class and Blended Learning: Personal Tax Bootcamp	Jan 17 - Winnipeg Jan 20 - Toronto Jan 21 - Calgary Jan 22 - Vancouver	Start Your Designation In-Class: Earn up to 30 CE/CPD credits Continue online with the <i>T1 Professional Tax Preparation - Intermediate</i> certificate course.
SPRING ONLINE Self-Study	February 15 - May 15	Start Your Program Online: Enrol in your MFA™ or Distinguished Financial Advisor™ program – Each certificate course takes 3 months to complete.
MAY In-Class and Blended Learning: Audit Defence Bootcamp	May 21 - Winnipeg May 22 - Calgary May 23 - Vancouver May 26 - Toronto	Earn Your 2nd Course Towards Designation: Continue online with the <i>Elements of Real Wealth Management</i> certificate course.
SUMMER ONLINE Self-Study	June 15 - September 15	Complete Your 3rd Course and Earn Your Diploma: You're at the half-way mark to completing your designation! Mark your achievement with a diploma.
SEPTEMBER In-Class and Blended Learning: Retirement and Succession Planning Bootcamp	Sept 17 - Winnipeg Sept 18 - Calgary Sept 19 - Vancouver Sept 22 - Toronto	Earn Your 4th Course Towards Designation: Continue online with the <i>Final Returns on Death of a Taxpayer</i> certificate course.
FALL ONLINE Self-Study	October 15 - January 15	Finish your 5th Course Towards Designation: Your enriched knowledge and skills will help you grow your practice and increase professional referrals.
NOVEMBER In-Class and Blended Learning: Corporate Tax Bootcamp	Nov 3 - Winnipeg Nov 4 - Toronto Nov 5 - Vancouver Nov 6 - Calgary	Become an MFA™ or Distinguished Financial Advisor™! Complete your designation and differentiate yourself as a leading professional advisor. Continue online with the <i>T2 Corporate Tax Preparation and Planning</i> certificate course.

For a free personal educational consultation, call toll free 1-866-953-4769 or registrar@knowledgebureau.com. See course curriculum details at www.knowledgebureau.com.



*The MFA™ and DFA-Tax Services Specialist™, DFA-Bookkeeping Services Specialist™ are registered certification marks of Knowledge Bureau™.

PRIVATE CLIENTS: ASSOCIATION & CORPORATE CLIENT LIST

AGF	Intuit/Quickbooks	Sage/Simply Accounting
Aegon/Transamerica	Investment Executive	Scotia i-Trade
APA&TC	Ledgers Franchisees	Scotia Trust
BMO InvestorLine	Manitoba Securities	Standard Life
BMO Nesbitt Burns	Commission	Sun Life
CIBC World Markets	MoneySense Magazine	TaxCycle
Credential Financial	Morningstar	The Accounting Place
Dynamic Funds	Manulife Financial	Thomson Reuters
FPSC	Primerica	Tradition Law, LLP
Franklin Templeton	RBC	Toronto Star
Golden Girl Finance	RPA	UTP
IPBC		

WHAT OUR CORPORATE PARTNERS SAY:

"Evelyn Jacks and her team of experts at The Knowledge Bureau have been a significant part of the success of Dynamic's award winning Snapshots program. Snapshots is an online resource centre helping advisors provide customized and personalized advice and resources to clients at various life changing events. It won both the Investor Education Award and Advisor Education Award at the Canadian Investment Awards in December 2009. Evelyn and her team provided valuable in depth advisor education courses on a variety of the life events covered including Leaving a Job, Ailing Parent, Home Ownership and Disability. Their continuing education accredited courses have been taken by thousands of advisors across Canada who are interested in strengthening their relationships with clients by offering holistic advice as their clients' lives change."

Terri Williams, Vice President, Marketing and Brand Management, Global Wealth Management and Commercial Banking at Scotiabank

"In Mutual Fund Wholesaler Dimensions Standard Life is the number one company in Canada overall, #1 in the general survey in 6 of 9 categories and 8 of 9 in Core Supporter scores, based on a 2009 Environics Survey. We are very pleased with these results, which are, in part due to our great relationship with you, Evelyn, and The Knowledge Bureau."

Mick Kelly, Vice President - Sales Retail Markets - Standard Life

THE REAL WEALTH MANAGEMENT INSTITUTE – EXECUTION WITH KNOWLEDGE

Electronic banking and tax filing are rapidly advancing change in the accounting, tax and financial services industry, forcing companies and individual practitioner alike to transact with clients at a new standard of excellence demanded by regulators and the CRA. Higher knowledge levels integrated into and throughout organizations who work with clients are now in the process of required implementation.

1. IN THE TAX SERVICES: REGISTRATION OF TAX PREPARER PROGRAM

On January 17, 2014, CRA Minister Kerry-Lynne Findlay announced the introduction of a proposed Registration of Tax Preparer Program (RTPP), <http://www.cra-arc.gc.ca/rtp/> which would apply to:

- accountants who prepare income tax returns for a fee and who belong to a provincially regulated body;
- employees of businesses that offer income tax preparation services for a fee; and
- others who offer income tax preparation services for a fee, but who do not fall within the previous two categories.

The proposals would enable CRA to proactively address recurring errors of individual tax practitioners by tracking quality levels by small to medium firms. Specifically, CRA intends to:

- **Identify** individual tax preparers that prepare income tax returns for a fee with a personal identification number (PIN);
- **Link each tax return via the PIN** to the individual tax preparer and business they work for;
- **Establish error factors:** the extent to which a particular individual tax preparer or tax preparation business is associated with compliant or non-compliant income tax returns (for example, the recurring errors noted earlier in this section); and
- **Proactive Intervention including auditing tax preparer's clients:** CRA intends to develop a strategic compliance approach to address any non-compliance issues in income tax returns prepared by tax preparers that prepare income tax returns for a fee. This will include education, follow-up visits, development of action plans, and audits of the tax preparer's clients when non-compliance persists.

This move indicates a significant change in both knowledge levels and practice management procedures is required immediately in these occupations. The Institute for Real Wealth Management will support the practice management education required, complimenting the knowledge competencies the Knowledge Bureau now teaches.

2. IN THE FINANCIAL SERVICES: IMPLEMENTATION OF THE CLIENT RELATIONSHIP MODEL

New rules were introduced on March 24, 2012 that require Dealer Members of IIROC (Investment Industry Regulatory Organization of Canada) to comply with the new requirements introduced under the Client Relationship Model (CRM) project. The new Rules and amendments under the CRM project address:

1. Relationship disclosure;
2. Conflicts of interest management/disclosure;
3. Suitability assessment; and
4. Account performance reporting

Guidance to the new rules can be found at this link:

http://www.osc.gov.on.ca/en/Marketplaces_srr-iiroc_20120413_gn-crm.htm

Knowledge Bureau has developed a series of 14 calculators that embellish on this model with a consistent process for starting and following up on conversations with clients to meet these requirements. In house and regional training on practice management integrating these tools for a consistent outcome is the mandate of the Institute for Real Wealth Management.

IN SUMMARY - THE PROFESSIONAL'S OPPORTUNITY

Annual tax and financial plans have a significant effect on the building of personal and family net worth. Clients want to trust their professional advisory team to provide consistent and timely analysis of income and capital, financial ratios, cash flow and budgeting advice, together with tax preparation, investment, retirement and succession planning services.

This is statistically supported by the fact that 69% of Canadians⁸ used the services of an investment advisor, but wish to play a more active role in managing their portfolios.

Knowledge Bureau provides the courses and tools required by planner to execute on the financial decisions that need to be made jointly with clients. We also train highly competent tax and business advisors to support the work of investment, insurance and legal advisors.

We are committed, as an educational institute, to raise standards for excellence in financial education with relevant and practical knowledge and skills. We have dedicated our efforts to providing advisors in the tax and financial services with immediately implementable certificate courses leading to diplomas and designations in a World Class Virtual Campus.

Our graduates can demonstrate to their clients that they have excelled in their academic path to continuing professional development with the highest standards. The result is a more confident, focused relationship with the entire family leading to Sustainable, Intergenerational Real Wealth Management.

Working closely with *The Institute for Real Wealth Management*, our students can more confidently and with great insight and knowledge, consistently execute the often onerous requirements of CRA and industry regulators alike.

⁸ BMO Nesbitt Burns Study August 2012

APPENDIX: CERTIFICATE, DIPLOMA AND DESIGNATION COURSES

Knowledge Bureau has created an online library of 30-hour certificate courses, each featuring 10 to 12 unique one hour modules leading to core competencies in tax, investment, retirement, business and estate planning. Course components include Lesson Plans, Knowledge Journals, Short Answers, Case Studies, Written and Audio guidance and examinations, with educational coaching to keep advisors to study plans as well as instructor coaching by email included. Hundreds of modules are available for the custom-design of programs; co-branding and private labeling is possible as well.

Full Curriculum Details: <http://www.knowledgebureau.com/index.php/programs-courses/designation-programs/>

DFA - Personal Tax Services Specialist

Any six of the following 30 hour certificate courses:

[Basic T1 Professional Tax Preparation](#)

[Intermediate Personal Tax Preparation](#)

[Advanced Personal Tax Preparation](#)

[Tax Preparation for Proprietorships](#)

[Final Returns on Death of a Taxpayer](#)

[Cross Border Taxation](#)

[Advanced Tax-Efficient Retirement Income Planning](#)

DFA - Bookkeeping Services Specialist

Any six of the following 30 hour certificate courses:

[Basic Bookkeeping for Small Businesses](#)

[Advanced Bookkeeping](#)

[Advanced Payroll](#)

[Managerial Accounting](#)

[Accounting for Business Transitions](#)

[Advising Family Businesses](#)

[Any Personal Tax Services Specialist Courses](#)

MFA – Business Tax Services Specialist

Any six of the following 30 hour certificate courses:

[T1 Professional Tax Preparation - Proprietorships](#)

[Basic Corporate Tax Preparation](#)

[Advanced Corporate Tax Preparation](#)

[Tax Planning for Corporate Owner-Managers](#)

[Business Valuation for Advisors](#)

[Accounting for Business Transitions](#)

[Elements of Real Wealth Management](#)

[Any Bookkeeping Services Specialist Courses](#)

MFA - Retirement Income Services Specialist

Any six of the following 30 hour certificate courses:

Elements of Real Wealth Management

Tax Strategies for Financial Advisors

Tax-Efficient Retirement Income Planning

Debt and Cash Flow Management

Financial Literacy: Assessing Risk and Return

Investment Strategies in Charitable Giving

Cross Border Taxation

Any Succession & Estate Planning Specialist Courses

MFA - Succession and Estate Services Specialist

Any six of the following 30 hour certificate courses:

Elements of Real Wealth Management

Advising Family Businesses

Fundamentals of Succession Planning

Final Returns on Death of a Taxpayer

Use of Trusts in Tax and Estate Planning

Insurance Strategies for the Small Business Owner

Business Valuation for Advisors

Advanced Tax-Efficient Retirement Income Planning

CLIENT CONVERSATIONS & EXPERIENCES - ONLINE FINANCIAL TOOLS INCLUDED:

- Triggers & Financial Assessment
- Cash Flow Calculator
- Income Tax Estimator
- Marginal Tax Rate Calculator
- Registered vs. Non-registered accounts?
- Take Home Pay Calculator
- Investment Income Planner
- Retirement Income Calculator
- CPP Income Planner
- Fixed vs. Variable Income Planner
- Tax Efficient Asset Transfers
- Donations Planner
- **EverGreen Explanatory Notes** – online tax research library – 800 topics in Personal, Corporate and GST subjects linked to ITA and CRA publications.