



### I.0 Designation Ethics Committee

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#### I.1 Purpose of the Designation Ethics Committee

All MTI<sup>®</sup>s agree to comply with and abide by the responsibilities and ethical standards established in the MTI<sup>®</sup> Code of Ethics. If a complaint is made against an MTI<sup>®</sup>, the complaint is referred to the Designation Ethics Committee. The Designation Ethics Committee considers any alleged violation of the MTI<sup>®</sup> Code of Ethics and determines whether the MTI<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.

#### I.2 Composition of the Designation Ethics Committee

Members of the Designation Ethics Committee are appointed by designation Advisory Councils. The Ethics Committee members will appoint a Chairperson. The Designation Ethics Committee consists of between five and eight members representing all CSI designations:

- Who have earned and is a member in good standing of the at least one of the following Designations: MTI<sup>®</sup>, FCSI, CSWP, PFP (not required for CSI employee providing technical support)
- Who are members of one of the designation Advisory Councils or are CSI employees holding a minimum position of Director.

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

#### I.3 How the Designation Ethics Committee Functions

A minimum of three members of the Designation Ethics Committee must be present to adjudicate a complaint. If the member representing the MTI is not present, then the complaint will be considered, but a decision will be reserved until the MTI committee member is available. 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 MTI<sup>®</sup>. The Designation Ethics Committee decides, through a majority vote, if a violation of the MTI<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 MTI<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.



## ETHICAL MISCONDUCT PROCESS



### 1.4 Complaint Process

When a suspected violation of the MTI<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 MTI<sup>®</sup> themselves, the matter is referred to the Designation Ethics Committee. 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 MTI<sup>®</sup> Code of Ethics the MTI<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 emailed directly to the Designation Ethics Committee.

The Designation Ethics Committee reviews the allegation to determine if it is within the scope of the MTI<sup>®</sup> Code of Ethics. If the Designation Ethics Committee determines the allegation is not within the scope of the MTI<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 MTI<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 MTI<sup>®</sup> to advise him or her of the complaint and request a written response. The MTI<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 MTI<sup>®</sup> Code of Ethics the MTI<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 MTI<sup>®</sup>. The MTI<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 MTI<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 MTI<sup>®</sup> is not entitled to be present at the adjudication, nor can the MTI<sup>®</sup> submit oral arguments.



### 1.4.2 When the Allegation is brought to CSI's Attention by the MTI® during the annual MTI® Membership Renewal Process

CSI will not process the MTI®'s renewal until the MTI® 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 MTI®'s renewal should be processed as long as the MTI® agrees to keep CSI informed of all developments relating to the allegation.
- The MTI®'s renewal should not be processed until the external investigation(s) or proceedings are complete.
- The MTI®'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 MTI®, the Designation Ethics Committee is of the opinion that the MTI® has violated the MTI® 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 Council
- Notifying the appropriate regulatory body for possible further investigation
- Publicizing the violation in the MTI® newsletter
- Recording the violation in the MTI®'s student record
- Requiring the MTI® to complete a supplementary ethics course(s)
- Requiring the MTI® to complete an additional professional development course(s)
- Suspending the MTI®'s membership and use of the MTI® 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 a registered letter to the MTI®, 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 MTI®'s student record.



### 1.7 Appeals to the Designation Appeals Committee

An MTI® who is found by the Designation Ethics Committee to have breached the MTI® Code of Ethics has the right to appeal the decision to a Designation Appeals Committee. The process for this appeal is described in Part 2, Designation Appeals Committee. A request for an appeal should be sent to The National Designation Council in writing within twenty (20) business days from the date the notice of the Designation Ethics Committee decision is mailed to the MTI®. Any penalties are not enforced until the Designation Appeals Committee makes a decision.

## 2.0 Designation Appeals Committee

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This committee is formed only when an appeal is requested by an MTI®.

### 2.1 Composition of the Designation Appeals Committee

Members of the Designation Appeals Committee are appointed by CSI's President. The Designation Appeals Committee consists of between five and eight members who are:

- Employees of CSI (maximum of one person);
- Employees of a relevant regulatory body or member firm;
- Employees of a Canadian stock or derivatives exchange;
- Members of the Designation Council; or
- Other appropriate individuals

Neither the Investigator, nor the person who presents the case may sit on the Designation Appeals Committee. No person may sit on both the Designation Ethics Committee and the Designation Appeals Committee.

### 2.2 How the Appeals Committee Functions

A minimum of three of the members of the Designation Appeals Committee must be present to hear any case. 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.

### 2.3 Appeals Process

AN MTI® who is found guilty of a violation of the MTI® Code of Ethics has twenty (20) business days from the date the notice of the Designation Ethics Committee decision is mailed to request an appeal to the Designation Council.

Once the Designate appeals the decision, a Designation Appeals Committee is formed. The MTI® 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 Designation Appeals Committee makes its decision.



## ETHICAL MISCONDUCT PROCESS



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

### 2.4 Designation Appeals Committee Decision

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

All decisions of the Designation Appeals Committee are in writing. Copies of the decision and the reasons for the decision are sent to CSI and to The National Designation Council by registered mail within ten (10) business days of the date of the decision. This letter is kept on file indefinitely and a notice attached to the MTI®'s record.