



FINANCIAL PLANNING STANDARDS BOARD



FPSB Requirements for CFP Certification

July 2019

A Framework for Financial Planning Professionalism

FPSB works in conjunction with its affiliated organizations, practicing CFP professionals and subject-matter experts from around the world to create standards for the financial planning profession. FPSB's requirements for CFP certification demonstrate to those accessing the services of a CFP professional that the financial planner has met rigorous competency, ethics and professional practice standards to provide comprehensive financial planning to clients.

FPSB has developed a framework for financial planning that integrates competency, ethics and professional practice standards for financial planning, along with financial planner certification requirements in the areas of education, assessment and ongoing competency. All organizations and individuals engaged in financial planning can embrace FPSB's professional framework for financial planning.

CFP Certification

FPSB has specific requirements for the global CERTIFIED FINANCIAL PLANNER certification program. FPSB administers CERTIFIED FINANCIAL PLANNER certification programs directly and indirectly through agreements with nonprofit (or equivalent) organizations that agree to administer the CFP certification program on behalf of FPSB in accordance with FPSB's affiliation requirements and established standards.

To obtain CFP certification, individuals must meet rigorous initial certification requirements adapted to local marketplace needs. To maintain their right to use the CFP Marks, CFP professionals must complete ongoing renewal requirements.


FPSB's requirements are designed to be consistent across borders; however, each program may adapt the requirements to fit with local regulations, laws and products. These requirements are in compliance with FPSB's public-interest mission of benefiting the clients and potential clients of financial planners looking to identify qualified financial planning professionals around the world.

The Professional Standards and Certification Requirements that support FPSB's global professional framework for financial planning are developed using an extensive drafting and consultative process. FPSB's process relies on input from standards-setting experts, certification specialists, practicing financial planners, academics and consumer representatives from around the world, as well as from FPSB's nonprofit affiliated organizations representing over 190,000 CFP professionals in 27 territories.

FPSB’s CFP Certification Framework

Individuals achieve CFP certification through meeting Education, Work Experience, Financial Plan, Exam, Ethics and Fitness requirements as outlined in FPSB’s CFP Certification Framework:

- Complete education in the financial planning Body of Knowledge.
- Complete assessment of:
 - Work experience,
 - Ability to develop and deliver a financial plan,
 - Exam or series of exams, and
 - Professional fitness.
- Certification by the Certifying Body (including requirements for adherence to professional ethics, standards of conduct and use of the CFP Marks.)
- Maintain professional skills and abilities and competency through ongoing learning activities.
- Recertification.

Education	Work Experience	Financial Plan	Examination	Ethics & Fitness	Certification	Ongoing Competency	Re-certification
ASSESSMENT						15 Hours/Year Continuing Professional Development (or more if required by regulator) Adherence to Code of Ethics and Professional Responsibility; and Practice Standards	Maximum 3-year period
Education covers the Financial Planning Curriculum Framework localized for the territory The overall academic level is at least equivalent to the Learning Level Descriptors	Relevant to practice 1 Year Supervised -or- 3 Years Unsupervised Within 10 years prior to certification or after passing exam Documentation	Financial Plan demonstrates mastery of: • Fundamental Financial Planning Practices • Ability to integrate across the Financial Planning Components • Appropriate Financial Planning Professional Skills Assessed Individually	Valid and Reliable Exams Multiple Choice and Constructed Response Item Types at All Cognitive Levels 6 Hours/140 Question Minimum From All Stages Pass/Fail Result Documentation Fairness in Policies and Procedures	First Party Attestation Certification Board Verification Adherence to Code of Ethics and Professional Responsibility; and Practice Standards			

CFP Certification Requirements: Education

Purpose

To develop the student's proficiency in the Financial Planning Body of Knowledge.

Requirements for CFP Certification

1.1 Education Program for Financial Planner Certification

An Applicant for financial planner certification completes a financial planner education program whose format and content meet the specifications described in FPSB's *Financial Planning Curriculum Framework*, localized for the territory.

1.2 Academic Level

The overall academic level at which the financial planner education program is delivered is at least equivalent to that described by FPSB's *Financial Planning Curriculum Framework* Learning Level Descriptors.

CFP Certification Requirements: Work Experience

Purpose

To develop the applicant's ability to consistently perform the tasks required to practice financial planning in real-world client situations (defined in FPSB's Financial Planning Practice Standards), while applying the foundational knowledge and professional abilities and skills required for financial planning.

Requirements for CFP Certification

2.1 Relevant Work Experience for Financial Planner Certification

An Applicant for financial planner certification demonstrates Relevant Work Experience, either Supervised or Unsupervised, working with Clients by performing activities in the following:

- Engage in practice described in FPSB's *Financial Planning Practice Standards*;
- Apply the abilities, skills and knowledge described in FPSB's *Financial Planner Competency Profile*; and
- Adhere to the ethical principles described in FPSB's *Financial Planner Code of Ethics and Professional Responsibility*.

2.2 Supervised Experience

An Applicant meets the Supervised Experience requirement by completing one year of supervised practice as described under Relevant Work Experience (2.1) and Recency of Relevant Work Experience (2.4). At the end of the period of supervised experience, the Supervisor affirms to the Certifying Body, in writing, the Applicant's ability to practice financial planning.

2.3 Unsupervised Experience

An Applicant meets the Unsupervised Experience requirement by completing three years of unsupervised practice as described under Relevant Work Experience (2.1) and Recency of Relevant Work Experience (2.4).

2.4 Recency of Relevant Work Experience

An Applicant obtains Work Experience in the 10 years preceding the date of financial planner certification or within 10 years of the date of passing the final certification exam.

2.5 Documentation

The Certifying Body documents evidence of the Applicant's Relevant Work Experience (2.1).

CFP Certification Requirements: Financial Plan

Purpose

To assess the applicant's ability to: evaluate a client's financial situation, goals, needs and objectives; determine key areas that need to be addressed and the client information and behavior needed; and present viable strategies and recommendations in a financial plan that is understandable to the client to achieve the client's financial objectives.

Requirements for CFP Certification

3.1 Financial Plan Development for Financial Planner Certification

An Applicant for financial planner certification develops a Financial Plan that demonstrates mastery of:

- The Fundamental Financial Planning Practices described in FPSB's *Financial Planner Competency Profile*;
- The ability to integrate across the Financial Planning Components described in FPSB's *Financial Planner Competency Profile*; and
- Appropriate Financial Planner Professional Skills described in FPSB's *Financial Planner Competency Profile*.

CFP Certification Requirements: Exams

Purpose

To provide a valid and reliable assessment of the candidates' ability to demonstrate the competencies of a financial planner and provide assurance that those who pass the exam possess the minimum level of competence to practice as a financial planner.

Requirements for CFP Certification

The candidate must pass a single or multiple certification exam(s) based on FPSB's *Financial Planner Competency Profile* that:

1. Examines the knowledge and abilities of candidates, covering the Fundamental Financial Planning Practices and Financial Planning Components described in FPSB's *Financial Planner Competency Profile*; and
2. Is independent of exams provided as part of an education program.

CFP certification exam(s) meet the following requirements:

1. Research (job analysis) should be conducted to demonstrate that exams address current and anticipated critical work functions, job tasks and financial planning knowledge, skills and abilities.
2. An exam specification relying on FPSB standards should be developed by an expert panel that uses its expertise, and the results of a job analysis, to define cognitive levels and weigh content areas based on importance and frequency.

3. Item writers (i.e., subject matter experts), reviewers and editors should be trained in the form of exam being used (multiple choice, constructed response, etc.).
4. Exam items should be written to the exam specification.
5. Exam items and exam forms should be independently reviewed and approved prior to being used.
6. Exam items should incorporate cognitive levels appropriate to the learning outcomes being measured.
7. Item-level data should be used to select equating items (the scores of which on a new exam form and on a reference form should be equivalent) and to assess item performance for exam administrations.
8. All reported scores should be based on a pass-fail standard to assess competency in financial planning, with sufficient data to show a high level of reliability and validity.
9. Exam results should be repeatable; therefore, data should be collected and analyzed at the item level to show reliability, errors of measurement and difficulty.
10. All forms of an exam should be statistically equivalent until a new exam specification is implemented.
11. The Certifying Body should understand and be able to justify the exam pass rate over time.
12. Exam administration procedures should be developed and consistently administered that address uniform exam administrations, exam security, irregularities, scoring and score reporting.
13. The Certifying Body should document and publish exam policies and procedures to comply with all applicable domestic laws and requirements for examining individuals with disabilities.
14. Policies and procedures should be implemented to ensure that all exam candidates are treated equally and fairly.
15. The Certifying Body should develop and implement exam policies and procedures that address the rights of a candidate to appeal assessment results within a reasonable period of time.
16. The Certifying Body should document exam processes and procedures including those to develop and administer exams, establish the passing score, analyze item data and evaluate candidate performance.
17. The Certifying Body should retain data about exam candidate performance for a reasonable period of time, or any period required by law, as appropriate.

CFP Certification Requirements: Ethics and Fitness

Purpose

To promote the interests of the financial planning profession for the benefit of clients and society, and to support the applicant's adherence to rigorous ethical and professional standards when providing financial planning to clients.

Requirements for CFP Certification

5.1 Ethics and Fitness

Prior to the issuance of certification:

- An Applicant discloses all prior relevant Disciplinary, Criminal or Civil Proceedings in which he or she was a Defendant or Respondent, regardless of the outcome, consistent with local laws.
- An Applicant agrees to adhere to the *Financial Planner Code of Ethics and Professional Responsibility*, *Financial Planning Practice Standards* and rules for correct use of the CFP marks once certified.
- The Certifying Body documents evidence of the Applicant's fitness for certification, including conducting criminal, civil and disciplinary background checks, consistent with local laws, to verify an Applicant's conduct is ethical, fit and proper, prior to certification.
- The Certifying Body follows standardized criteria to determine and document the Applicant's fitness for CFP certification.

CFP Certification Requirements: Initial Certification

Purpose

To identify to the public individuals who have met CFP certification requirements and are authorized to use the CFP marks.

Requirements for CFP Certification

6.1 Requirements for CERTIFIED FINANCIAL PLANNER Certification

The Certifying Body determines and documents that the Applicant has met all CFP certification requirements prior to granting CFP certification.

CFP Certification Requirements: Ongoing Competency

Purpose

To ensure that CFP professionals maintain the knowledge, skills and abilities necessary for the professional practice of financial planning.

Requirements for CFP Certification

7.1 Relevant Continuing Professional Development

- A financial planning professional completes professional development by engaging in learning activities that maintain and develop his or her abilities, skills, knowledge and professional conduct as described in:
 - FPSB's *Financial Planner Competency Profile*;
 - FPSB's *Financial Planner Code of Ethics and Professional Responsibility*; and
 - FPSB's *Financial Planning Practice Standards*.

7.2 Hour Requirement

A financial planning professional completes a minimum of 30 hours of continuing professional development every two years, the completion of which is verifiable by the Certifying Body. At least two of the 30 hours cover content directly relating to *FPSB's Financial Planner Code of Ethics and Professional Responsibility* and/or *Financial Planning Practice Standards*.

7.3 Documentation

A financial planning professional maintains a record of his or her continuing professional development and reports hours completed to the Certifying Body each reporting cycle.

CFP Certification Requirements: Recertification

Purpose

To identify to the public individuals with an ongoing commitment to meet CFP certification requirements and who are authorized to use the CFP marks.

Requirements for CFP Certification

8.1 Enforcement

The Certifying Body maintains oversight and follows a documented process in investigating and evaluating complaints against CFP professionals. The Certifying Body takes appropriate action against CFP professionals who violate professional and ethical standards. Such actions may include suspension or revocation of CFP certification. The Certifying Body may provide public notice of determinations, rulings and/or other disciplinary actions taken.

8.2 Renewal

The Certifying Body requires CFP professionals in good standing to renew their CFP certification at least every three years. The Certifying Body may allow a grace period of not more than 90 days for the completion of all renewal requirements.

The Certifying Body requires CFP professionals seeking renewal to:

- Disclose any Disciplinary, Criminal or Civil Proceedings that occurred during the certification period, consistent with local laws, and re-attest to adherence to the *Financial Planner Code of Ethics and Professional Responsibility* and *Financial Planning Practice Standards*.
- Document compliance with all renewal requirements.

8.3 Reinstatement following Short-Term Lapse

The Certifying Body sets requirements for reinstatement after certification has lapsed for less than three years. The lapsed individual must:

- Disclose any Disciplinary, Criminal or Civil Proceedings that occurred since their last renewal, consistent with local laws, and re-attest to adherence to the *Financial Planner Code of Ethics and Professional Responsibility* and *Financial Planning Practice Standards*; and
- Document compliance with all recertification requirements during the lapsed period.

The Certifying Body verifies that the lapsed individual did not use the CFP marks during the lapsed period.

Once the Certifying Body has confirmed that the requirements for reinstatement have been met, the lapsed individual's CFP certification may be reinstated.

8.4 Reinstatement following Long-Term Lapse

The Certifying Body sets requirements for reinstatement after certification has lapsed for more than three years. The lapsed individual must:

- Re-attest to adherence to the *Financial Planner Code of Ethics and Professional Responsibility* and *Financial Planning Practice Standards*; and
- Complete a new application for certification and document¹ completion of all current certification requirements (education, work experience, financial plan, exam, ethics and fitness).

The Certifying Body verifies that the lapsed individual did not use the CFP marks during the lapsed period.

Once the Certifying Body has confirmed that the requirements for reinstatement have been met, the lapsed individual's CFP certification may be reinstated.

8.5 Reinstatement following Discipline

When the Certifying Body takes disciplinary action against a CFP professional that includes suspension of the privilege to use the CFP marks, the terms of the agreement between the Certifying Body and the individual should clearly explain the requirements for reinstatement of CFP certification. At a minimum, these should include all requirements in 8.3 above.

When the Certifying Body revokes the CFP professional's privilege to use the CFP marks as the result of a disciplinary action, the action is permanent and reinstatement is not permitted.

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¹ The requirement to "document" completion of all current certification requirements is not a requirement to retake education, restart work experience or retake the exam. It means that the applicant for reinstatement must prove that he or she has met the current certification requirements of the Certifying Body.

Glossary / Definitions

Applicant: An individual seeking CFP certification who is in the process of having his or her eligibility reviewed by the Certifying Body but is not yet a Candidate.

Body of Knowledge: The complete set of concepts, terms and activities that make up a professional domain.

Candidate:

1. An individual seeking CFP certification who has met all prerequisite requirements and is eligible to take the CFP exam(s).
2. An individual seeking CFP certification who is taking or has taken one or more parts of the CFP exam, but has not yet passed all required components of the exam.

Certification: A voluntary process instituted by a non-governmental agency (Certifying Body) that recognizes achievement and maintenance of knowledge and skill by an individual.

Certifying Body: The entity overseeing the financial planning certification program.

Civil Proceeding: A civil action, including but not limited to a lawsuit, arbitration or mediation, related to professional or business conduct.

Client: A person, persons or related entities with whom the financial planning professional has a formal planner-client relationship.

Consistent with local laws: Laws enacted within a territory that could affect an individual's ability to disclose, or a Certifying Body's ability to discover, the requested information, including but not limited to privacy, disclosure and contract law.

Continuing Professional Development: The process of post-certification learning activities to maintain and enhance professional growth and competency. This is sometimes referred to as "Continuing Education."

Criminal Proceeding: A criminal action, regardless of the severity or outcome.

Defendant or Respondent: A person who has been named in a civil, administrative or other legal proceeding, criminal action, or disciplinary action initiated by a Certifying Body, professional body, government, self-regulatory body or regulator, regardless of the outcome.

Disciplinary Proceeding: A governmental, self-regulatory or professional body inquiry, investigation or action.

Education: A formal learning period that is structured and provided by qualified academic institutions whether delivered in-person, remotely or in a self-study format.

Ethics and Fitness: A part of the CFP certification process whereby Applicants provide appropriate disclosures and agree to be bound by ethical standards while they are certified.

Financial Plan: A methodically formulated and detailed strategy or group of strategies used to manage one's financial affairs to meet life goals.

Financial Planning Components: The six categories of Financial Planner Abilities addressed in personal financial planning:

- Financial Management
- Asset Management/Investment Planning
- Risk Management
- Tax Planning
- Retirement Planning
- Estate Planning

FPSB Affiliate Organization: An organization that is bound by licensing and other agreements to administer and deliver FPSB's certifications on FPSB's behalf.

Recertification: The processes that encompass renewal of certification and reinstatement of certification.

Reinstatement: The processes required following a lapse in maintenance of Certification by an individual to reestablish his or her Certification.

Renewal: The processes required to maintain Certification by an individual.

Supervisor: A financial planning professional who has the abilities, skills and knowledge described in *FPSB's Financial Planner Competency Profile*, whether or not he or she is a CFP professional, and who supervises individuals on the path to certification. The Supervisor:

- Provides Candidates with experience in, and instruction about, the practice of the profession;
- Helps Candidates to develop knowledge about the practice of the profession;
- Teaches Candidates the required standards of conduct; and
- Confirms Applicants/Candidates are able to interact with Clients.

Work Experience: includes all relevant on-the-job experience, whether or not for compensation.

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