


CERTIFIED FINANCIAL PLANNER^{CM} or CFP^{CM} Certification Program

Policy and Criteria for Accrediting and Retaining Individuals

FPSB India is a Public-Private Enterprise and a Professional Standards Setting body that proactively guides the development and promotion of standards for Financial Planning professionals to benefit and protect the public in the country. FPSB India has entered into a license/affiliation agreement with FPSB Ltd. relating to the use of the CFP marks as well as knowhow and technical expertise in the field of establishing educational standards, testing requirements and disciplinary procedures for financial planners.

The CFP^{CM}, CERTIFIED FINANCIAL PLANNER^{CM} and  marks (hereinafter referred to as the “Trademarks”) are owned outside the US by FPSB Ltd. and FPSB India is the marks licensing authority for the “Trademarks” in India, through agreement with FPSB Ltd.

The candidates who wish to undergo the CFP^{CM} Certification Program (the “Program”) have to get registered with FPSB India. Education is an integral part of the Program, being a component of 4 Es principle of the “Program”, they are: Education, Examination, Experience and Ethics.

EDUCATION:

Education component entails completing first five modules of the “Program”, these are:

- Module 1 – Introduction to Financial Planning
- Module 2 – Risk Analysis & Insurance Planning (RAIP)
- Module 3 – Retirement Planning & Employee Benefits (RPEB)
- Module 4 – Investment Planning (IP)
- Module 5 – Tax Planning & Estate Planning (TPEP)

The above modules include all the education components for the competency of a Financial Planner. The curriculum of these modules is designed to develop a prospective CFP professional on par with the Competency Profile of a Financial Planner, in terms of knowledge, abilities and skills. This curriculum corresponds to the FPSB’s *Financial Planning Curriculum Framework*, thereby creating greater national, regional and global consistency in the delivery of Financial Planning education and training and in the preparedness of students to competently and ethically practice Financial Planning. The FPSB’s *Financial Planning Curriculum Learning Level Descriptor* is modeled on the European Qualifications Framework (EQF), a multinational education framework that acts as a translation device to make national qualifications readable. It is modeled on level six of the EQF which is regarded as at an undergraduate (bachelor’s) degree level.

FPSB uses Bloom’s taxonomy of learning objectives to define the cognitive level at which knowledge, skills or competence should be learned or mastered. Bloom’s learning objective framework consists of six major categories: Knowledge, Comprehension, Application, Analysis, Synthesis, and Evaluation. These cognitive level categories can be directly applied to the three Financial Planning Functions found in FPSB India’s Financial Planner Competency Profile: Collection (Knowledge and Comprehension), Analysis (Application and Analysis), and Synthesis (Synthesis and Evaluation).

FPSB India has authorized Education Partners and Resource Persons to facilitate education/ training for the aspiring candidates. A candidate can register with FPSB India and through one of the authorized Education

Partners across India pursue the Program. In order to further expand the Financial Planning movement by breaking the geographical barriers, FPSB India has mandated a Self Study mode to completing the education component. This is in line with the global practice as well as in sync with other certification exams in India. The Self Study mode is supported by Resource Persons, especially in areas where the Education Partners have no reach. The recommended minimum study hours required to complete the Education is 360 hours.

EXAMINATION:

There is a mechanism to test the candidates on Education criterion by way of conducting four Module exams. The “Module 1 – Introduction to Financial Planning” has been subsumed in the following Module exams to the extent of 20% content, hence the four Module exams are:

Exam 1 – Risk Analysis & Insurance Planning (RAIP)

Exam 2 – Retirement Planning & Employee Benefits (RPEB)

Exam 3 – Investment Planning (IP)

Exam 4 – Tax Planning & Estate Planning (TPEP)

To professionalize the product based distribution and advisory, FPSB India has established AFP Program which is targeted at existing professionals who want to upgrade their knowledge about Financial Planning. Candidates who complete any one or more of the above Module exams are conferred, on their request, the **Associate Financial Planner (AFP)** certificates. Thus, there are AFP-RAIP, AFP-RPEB, AFP-IP and AFP-TPEP. A candidate may enroll under the “**Program**” through the Regular Pathway to complete the required Education criterion before he/she is eligible to fulfill the Examination criterion.

Each of the Module exam is of 2-hour duration. It is a Multiple Choice Question (MCQ) type Computer Based Test (CBT) consisting of 77 items. There is no negative marking and the cut score is 50%. Once a candidate completes the Education criterion by passing the above Exam 1 – 4, in any order, he/she is eligible to attempt the CFP^{CM} Certification Examination.

The CFP^{CM} Certification Examination (the “**Certification Exam**”) can be attempted by a candidate who has enrolled under the Regular Pathway and cleared all Module Exams. Certain candidates having specified qualifications along with a minimum specified work experience have an option of applying through Challenge Status Pathway (CSP) wherein they can skip the Education criterion and thus attempting Module exams. The “**Certification Exam**” is termed Exam 5: Advanced Financial Planning and is of 4-hour Case Study based test. It is also an MCQ type CBT consisting of 30 items spread over 2 Case Studies. There is no negative marking and the cut score is 50%.

A candidate who enrolls through the Regular Pathway can clear Module exams in any order. Within a period of 7 years from initial enrollment, a candidate’s qualified Module exams shall be valid for consideration of Education criterion, i.e. he/she may complete the Module exams followed by “**Certification Exam**” within a period of 7 years, beyond which the all Module exams needs to be cleared afresh for eligibility to appear in the “**Certification Exam**”.

Details of Examinations and Education related Modules:

Education Modules	Examination		
	Exam/ Modules	Duration	Examination Type/ Format
I. Introduction to Financial Planning	--	--	--
II. Risk Analysis & Insurance Planning	Exam 1 <i>(Module I & II)</i>	2 Hrs	Multiple Choice Questions (MCQ); Computer based test (CBT)
III. Retirement Planning and Employees' Benefits	Exam 2 <i>(Module I & III)</i>	2 Hrs	
IV. Investment Planning	Exam 3 <i>(Module I & IV)</i>	2 Hrs	
V. Tax Planning & Estate Planning	Exam 4 <i>(Module I & V)</i>	2 Hrs	
VI. Advanced Financial Planning	Exam 5 <i>(Module I & VI)</i>	4 Hrs	Case Study based MCQ, CBT
Total		12 Hrs	

EXPERIENCE:

The specified work experience considered for accrediting a candidate under the “**Program**” is 3 years when the candidate is engaged in core financial services identified by the abilities under any one of the six components of Financial Planning, viz. Financial Management, Asset Management, Risk Management or Insurance Planning, Tax Planning, Retirement Planning and Estate Planning.

In respect of Regular Pathway whereby a candidate is required to pass all four Module exams before also passing the “**Certification Exam**”, the 3-year experience can be either in the prior 10 years of actually taking the certification or up to a period of 10 years after passing the “**Certification Exam**”. Further, the 3-year experience may not be continuous, pre-certification or post-exam.

In respect of Challenge Status Pathway (CSP), a candidate is required to provide a valid proof of one’s adequate experience of at least 3 years prior to registration under the CSP. This pre-requirement of adequate experience may be had by way of job assignment in a Financial Institution or Corporate entity engaged in financial services wherein the candidate should be engaged in core financial services identified by the abilities under any one of the six components of Financial Planning, viz. Financial Management, Asset Management, Risk Management or Insurance Planning, Tax Planning, Retirement Planning and Estate Planning. The Financial Institutions are categorized as Development Finance institutions, Banks, Mutual Funds (Asset Management Companies), Insurance Companies, Securities Companies, etc. They are generally under the ambit of regulators such as the Reserve Bank of India (RBI), the Securities Exchange Board of India (SEBI), the Insurance Regulatory Development Authority of India (IRDAI), the Pension Fund Regulatory and Development Authority (PFRDA), or any other appropriate authority. Corporate entities engaged in financial services are generally categorized as Brokerages, Portfolio Management Service companies or Wealth Management companies, Institutionalized Distributors and Advisories, Financial Planning firms, etc. The Qualifying work experience is based on a 35-hour work-week and is defined as full-time (or equivalent part-time) personal Financial Planning services/ related employment or self-employment. In the performance of their job, candidates must have actively used the knowledge, skills and abilities required for the CFP^{CM} Certification Education Framework, and the experience gained should help the candidate in the application of the personal Financial Planning process to meet client needs.

The ‘Experience’ criterion can be accessed under the head “**FPSB India’s Financial Planner Work Experience Standard**” under ‘Standard Documents’ on FPSB India’s website. FPSB India also prescribes **1-year**

Supervised Work Experience undergone under a CFP^{CM} Practitioner, as an alternative to the 3-year unsupervised experience. The list of approved supervisors is on FPSB India's website. For details, please refer to the notification "**Guidelines for Supervised Work Experience in Financial Planning**" (Ref. no. FPSBI / KM-OPR / 03-01 / 2011 dated March 21, 2011 under 'Notifications' on FPSB India's website.

ETHICS:

Prior to certification, the candidates will be required to disclose past or pending litigation or agency proceedings, and to acknowledge the right of FPSB India to enforce its Professional Standards through Disciplinary Rules and Procedures. He/she will have to sign and submit the documents "**FPSB India's Financial Planner Code of Ethics and Professional Responsibility**" and "**FPSB India's Financial Planning Practice Guidelines**" as a token of his/her having read and understood the code of ethics, rules of professional conduct and practice. By fulfilling this requirement, the candidate demonstrates to the public that he/she has agreed to provide personal financial planning in the client's best interest and to act in accordance with the highest ethical and professional standards for the practice of Financial Planning.

Guidelines around Initial Certification and Recertification

INITIAL CERTIFICATION

Initial certification is issued based on completion of the above 4 E criteria of Education, Examination, Experience and Ethics and payment of the requisite certification fees towards eligibility to use CFP^{CM} marks. The eligibility to use the CFP^{CM} marks is for a period not exceeding 365 days from the date of initial certification.

A candidate opting for the Regular Pathway entailing Education criterion requiring clearance of Module exams has a period of up to 10 years after passing the "**Certification Exam**" to earn the requisite work experience of 3 years for certification. However, a candidate opting for the Challenge Status Pathway whose qualification, education and experience criteria are pre-verified at the enrollment stage, the CFP certification needs to be acquired within a year of passing the "**Certification Exam**", otherwise the clearance of examination criterion becomes invalid and the candidate shall be required to pass the "**Certification Exam**" afresh.

RENEWAL OF CERTIFICATION

A CFP^{CM} certificant after completion of the initial certification cycle, of 365 days (or as determined from time to time), shall have to renew certification and thus be eligible continuously to use CFP^{CM} marks, by (i) accumulating 15 Continuous Education Points (CEPs) in the previous certification cycle, and (ii) paying the requisite recertification (renewal) fees. One CEP is equivalent to roughly 1 hour of professional upgrade which can be obtained by completing one or more programs towards completing CEP criteria, as published on the website of FPSB India.

SUSPENSION OF CERTIFICATION

Beyond the due date of renewal of CFP^{CM} certification, a professional's certification is *suspended / lapsed*. The professional shall strictly restrain from holding oneself out as a CFP^{CM} professional during the period of such suspension of CFP^{CM} certification (*suspended / lapsed certification*), and shall not use the CFP^{CM} marks in any manner whatsoever. A communication through email shall be sent to such professionals intimating them of the *suspended / lapsed certification* status, and the manner in which the certification can be renewed, with applicable penalty and requisition to earn additional CEPs.

During the period of *suspended / lapsed certification*, the professional is periodically informed of the said status and of the fact that he/she can no longer use the CFP^{CM} marks. Within this period, if any instance of CFP^{CM} marks usage by such professionals comes to light, they are suitably warned of the *unauthorized use* of CFP^{CM} marks, and the consequences thereof including a possible legal action.

A CFP^{CM} professional can put his/her CFP^{CM} certification on hold, or allow it to lapse, for a maximum period of three (3) years. However, such voluntary hold/lapse must be pre-approved and recorded by FPSB India. The CFP^{CM} professional shall categorically state with evidence the circumstances to request the hold/lapse of his/her certification, which would be limited to *not-being-in-the-territory* (country) for a specified period, or pursuing a higher academic program, or not practicing Financial Planning and advisory due to a given reason, or such other circumstances as may be considered by FPSB India as valid for allowing the CFP^{CM} certification to lapse for a period not exceeding three years.

REINSTATEMENT OF CERTIFICATION


The *suspended / lapsed* certification can be reinstated within a maximum period of three (3) years from the date of being *suspended / lapsed*. The professional would be required to fulfill the twin criteria of paying the requisite certification fees for all the *suspended / lapsed* years and accumulating CEPs equivalent to 15 x Number of *suspended / lapsed* years, with applicable penalty.

REMOVAL OF CERTIFICATION

Beyond the period of three (3) years from the date of a certification being *suspended / lapsed*, the certification is removed from a professional. The professional is intimated of the impending removal one year prior, as well as at least three months prior to the certification being removed. A periodic list is drawn by the Membership division to segregate Members in good standing, *suspended / lapsed*, and removed.

A removed certification cannot be reinstated in the normal course as a *suspended / lapsed* certification. The professional is treated as a fresh candidate in the Certification Program and he/she would be required to fulfill the 4 Es criteria all over again, viz. the enrollment and education process, examination, a valid experience within the immediate prior 10 years, as well as a declaration to having a record devoid of any criminal, civil proceedings, mis-selling, misappropriation, fraud, etc. in the individual's practice of financial distribution/advisory, or any other service / conduct of his/her affairs is made along with his/her declaration to abide by "**FPSB India's Financial Planner Code of Ethics and Professional Responsibility**".

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