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### **Note on Challenge Status Program**

The CFP<sup>CM</sup> Certification is attracting the attention of a wide cross section of the student and professional community in India. There have been expressions of interest from professionals as diverse as Chartered Accountants, Masters of Business Administration, Engineers etc. as well as from persons employed with some of the biggest financial service organizations in the country. However, such expressions of interest have not always translated into registrations for the course due to the apprehension that their hectic schedules will not permit them to devote adequate time for academics.

FPSB India recognizes that these professionals already possess certain skill sets and proficiency which is expected of Financial Planners. Hence, in order to enable eligible professionals (both in terms of education as well as experience) to acquire the CFP<sup>CM</sup> Certification in a more time efficient manner, FPSB India has introduced a fast track Certification Program in line with global certification practices which has been christened as “Challenge Status Program”.

#### **Qualification Criteria**

Only candidates who are Graduates from a Recognized University and having the following additional Educational Qualifications or equivalent would be eligible under the Challenge Status Program:

- a) Chartered Accountant (CA) from Institute of Chartered Accountants of India (ICAI)
- b) Chartered Financial Analyst (CFA) from CFA Institute, USA
- c) Cost Accountant (ICWA) from the Institute of Cost and Works Accountants of India (ICWAI)
- d) Certified Associate of Indian Institute of Bankers (CAIIB)
- e) PhD./ M.Phil/ Post Graduate in Economics, Econometrics, Statistics, Commerce, Mathematics, Finance, Management\*, Financial Planning/ Advising, Investment (or any other similar discipline)
- f) LLB (Law) or equivalent
- g) PGDFA from Indian Institute of Banking and Finance (IIBF)□
- h) Licentiate/Associate/ Fellowship of Life Insurance from Insurance Institute of India
- i) Actuary from Institute of Actuaries of India
- j) Civil Service Examinations by Union Public Service Commission (UPSC)π
- k) Company Secretary from Institute of Company Secretaries of India (ICSI).
- l) Fellow, Financial Services Institute (FFSI) / Fellow, Life Management Institute (FLMI) from LOMA

1. Candidates with Post Graduation in Management (other than Finance) qualifications need to have compulsory SEBI/ IRDA mandated Certification as well.

2. Post Graduation qualification implies at least two years' of full time education in an education institution: Alternatively equivalence as recognized by appropriate statutory authority viz. UGC/AICTE etc. as Post Graduation qualification (Finance and Marketing) may also be considered.

3. Candidates having cleared the Civil Service Examinations (Mains) conducted by Union Public Service Commission (UPSC) in the prescribed subjects viz. Commerce, Engineering, Economics, Law, Mathematics, Management, Physics and Statistics and having at least 3 years work experience OR candidates having cleared the Services Examinations conducted by Union Public Service Commission (UPSC) and having at least 3 years work experience in Accounts, Finance and related Departments shall also be eligible to appear for the Challenge Status Program.

PGDFA from IIBF: FPSB India has entered into a Memorandum of Understanding with Indian Institute of Banking and Finance (IIBF) allowing the candidates who have successfully cleared IIBF's Post Graduate

### Experience Criteria

A candidate is required to provide a valid proof of one's adequate experience (3 years or 5 years, as described below) prior to applying for Advanced Financial Planning exam (Exam 5) under Challenge Status Pathway along with proof of having completed a higher qualification than a Graduate, viz. a Post Graduate qualification in select specified streams or a specified professional qualification. In respect of the pre-requirement of adequate experience in the CSP, a candidate may be categorized as working in a Financial Institution or Corporate entity engaged in financial services. Here also 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. Three years' prior experiences is considered as adequate for eligibility under CSP for such candidates. A candidate working in a Financial Institution or Corporate entity engaged in financial services may, however, be engaged in „other financial services“<sup>1</sup> not specifically identifiable by the abilities under any one of the six components of Financial Planning. Similarly, a candidate may be working for a Corporate entity not engaged in financial services (viz. it can be a company engaged in manufacturing, services, etc.), but he/she may be posted in the finance department of the company dealing with one or more of „other financial services“<sup>1</sup>. Such candidate shall be required to have five years' prior experiences to be considered as adequate for eligibility under CSP.

Experience criteria for candidates applying through CSP are illustrated in the following table:

Category	Nature of Corporate	Experience Sector	Years of Experience	Requirement of having completed the Experience criterion for CSP
Corporate	Financial Services	One of the six Financial Planning components	3 Years	Prior Experience before applying for CSP
		Other Financial Services	5 Years	Prior Experience before applying for CSP
	Non-Financial Services	Other Financial Services	5 Years	Prior Experience before applying for CSP
Self Employed	--	Financial Planning Services, or one or more Financial Planning components	3 Years	Prior Experience before applying for CSP
	--	Other Financial Services	5 Years	Prior Experience before applying for CSP

Other Financial Services:

- a. Accounting including Fund Accounting in collective investment schemes and Audit
- b. Financial Consulting, or Intermediation in Financial/Investment Products
- c. Stock broking and trading services
- d. Journalism in Personal Finance
- e. Corporate Finance

### **Verification of Work Experience**

All work experience related documents should be supported by evidence and certificates duly attested by a Gazetted Officer or Notary Public appointed by a State Government or Central Government. The candidates employed with banks, financial institutions and Charter Member organizations of FPSB India can get the documents attested by their Head - HRD. If, at any time prior to or after conferring the certification, it is found that the work experience certificates are not authentic and information provided is false, the Board reserves the right to reject the respective application or cancel the certification and forfeit the certification fees, such forfeiture of fees not being limitation of any other action foreseen by the Board. The Board reserves the right of determining acceptable work experience and may call candidates (at their own expense) for an interview. The decision made thereafter by the Board is final.

The following is an indicative list of evidence to be provided by a candidate forwarding his/her portfolio under unsupervised work experience:

- Sufficient number (at least ten) of real Financial Plans made for clients which cover four or more Financial Planning Components. (Considered as 'Strong' evidence)
- Statements of customized Retirement solution; financial projection to fund retirement expenses and strategies to meet shortfall; Net Worth – current as well as at different points such as retirement and bequeathing; Cash flow management; Risk covers – life and assets, optimum risk covers and gap analysis; Risk profiling of client; Ascertaining clients risk appetite and risk tolerance; Exposure to financial risk; Optimum asset allocation and investment strategies planned for various goals; Analysis of investment portfolio and rebalancing strategies; determination of return band-width, required rate of return to meet a certain goal and choice of appropriate investment instruments; Determining Client's current, deferred and future tax liabilities; taxability of assets and liabilities at different strategic points; evaluation of existing tax strategies and their financial impact; various cost-benefit analyses of a client's tax management options in overall tax planning strategy; assessment of liquidity of estate at death; relative advantages and disadvantages of each estate planning strategy for a client; detailed implementable estate planning strategies with analysis of specific needs of beneficiaries, etc. (Considered as 'Strong' evidence when they collectively cover all six Financial Planning Components of at least ten clients in the subject experience period)
- Candidate having experience in Financial sectors, will have to provide a short job description of the profile been handled which need not be attested.

**Basic Study Material**

1. Introduction to Financial Planning
2. IC-33 Life Insurance
3. Insurance Products (Including Pension Products)
4. IC-34 General Insurance
5. In the Wonderland of Investment
6. Mutual Fund Industry- Products & Services
7. Students Guide to Income Tax - Vinod Singhania
8. Investment Analysis & Portfolio Management-Prasanna Chandra

**Reference Material**

1. Sample Case Study
2. CFP<sup>CM</sup> Certification Syllabus
3. Code of Ethics & Rules of Professional Conduct
4. Financial Planning Journal