

FPSB India’s Financial Planner Work Experience Standard

The relevant work experience is one of the criteria for certifying individuals who have completed education under CFP^{CM} Certification Program and passed all exams including the Advanced Financial Planning exam (Exam 5) conducted by Financial Planning Standards Board India (FPSB India), the “Board”. The Board recognizes the importance of work experience for someone looking to become a Financial Planning professional to be able to apply Financial Planning knowledge in diverse or complex client situations.

There are two pathways for completing FPSB India’s CFP^{CM} Certification Program – the Regular Pathway (through Education Providers or through Self Study mode) and the Challenge Status Pathway.

Relevant Work Experience

An individual demonstrates relevant work experience, either supervised or unsupervised, working with clients while:

- Engaging in practice described in FPSB India’s Financial Planning Practice Standards;
- Applying the abilities, skills and knowledge described in FPSB India’s Financial Planner Competency Profile; and
- Adhering to ethical principles described in FPSB India’s Financial Planner Code of Ethics and Professional Responsibility.

I. Experience Requirement in Regular Pathway

FPSB India believes engaging in supervised practice is the most effective method of gaining professional experience, but alternative methods of gaining work experience are acceptable.

I-A. Supervised Experience

Supervised Experience can be met by completing one year of supervised practice as described above under Relevant Work Experience. The candidate must have completed Graduation and must have attained 18 years of age before enrolling for the supervised experience program.

The supervisor, who must be a CFP^{CM} practitioner who has mastered the abilities, skills and knowledge described in FPSB India’s Financial Planner Competency Profile:

- 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 candidates are able to interact with clients.

At the end of the supervised practice period, the supervisor attests to the Board in writing to the candidate’s readiness to competently and ethically practice Financial Planning. The attestation is

in the required format 'Supervised Work Experience Portfolio' which needs to be submitted to the Board along with evidence by the candidate having accomplished relevant abilities, professional skills and having applied laid down practice standards. The candidate shall also submit a declaration of his/her adherence to FPSB India's Code of Ethics and Professional Responsibility during the supervision period, and of continuing to adhere to the same. The supervisor shall also authenticate the candidate's declaration of his/her having adhered to the principles stated in FPSB India's Code of Ethics and Professional Responsibility during the supervision period.

I-B. Unsupervised Experience

Unsupervised Experience can be met by completing three years of unsupervised practice as described above under Relevant Work Experience. The candidate has to submit the details of work experience in the required format 'Unsupervised Work Experience Portfolio' along with evidence by the candidate having acquired relevant abilities, professional skills and having applied laid down practice standards. The candidate shall also submit a declaration of his/her adherence to FPSB India's Code of Ethics and Professional Responsibility during the supervision period, and of continuing to adhere to the same. Such experience is required to be completed either prior to or after passing the Advanced Financial Planning exam (Exam 5).

It is however clarified here that a candidate who has not completed graduation, but he has completed higher secondary education or equivalent 10+2 education along with a professional or vocational course which makes him/her entitled to receive CFP^{CM} certification, shall have to complete five years of unsupervised practice as described above under Relevant Work Experience.

II. Experience Requirement in Challenge Status Pathway

In respect of Challenge Status Pathway (CSP), 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 experience 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'¹ 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'¹. Such candidate shall be required to have five years' prior experience to be considered as adequate for eligibility under CSP.

III. Self-employed Professional

Another category may still be of individuals who are self employed. In case of self-employed professionals, those offering comprehensive Financial Planning services, or the financial services identified by the abilities under any one of the six components of Financial Planning would require three years' experience. However, those self-employed individuals offering "other financial services"¹ are required to have five years' experience.

The above 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

¹ 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

IV. 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. FPSB India shall scrutinize and verify all the documents before awarding the CFP^{CM} certification (in case of Regular Pathway) or allowing a candidate to appear for through Challenge Status pathway. 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 client's 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)*

In the Regular Pathway, where a candidate earns experience subsequent to passing Advanced Financial Planning exam (Exam 5), he/she must complete the requirement within five years of the date of the successful completion of Exam 5, failing which his/her clearance of Exam 5 shall be considered as null and void. A candidate is required to notify FPSB India after clearing Exam 5 regarding his/her mode of completing the experience criterion.

These guidelines on Financial Planner Work Experience Standard shall come into force with effect from 1st April, 2011 and shall be applicable to all those candidates who pass Advanced Financial Planning exam (Exam 5) through Regular Pathway on or after 1st April, 2011 and to all those candidate who enroll for CFP^{CM} Certification Program through Challenge Status Pathway on or after 1st April, 2011. However, all candidates who have already cleared Advanced Financial Planning exam (Exam 5) are eligible for supervised work experience.

Knowledge Management and Operations Financial Planning Standards Board India