

CFP BOARD

COMPETENCY STANDARDS FOR CFP® CERTIFICATION:

Education, Examination, Experience, and Recertification

COMPETENCY STANDARDS FOR CFP® CERTIFICATION

Contents

Document Structure	1
Standard 1: Purpose.....	2
Standard 2: Governance and Autonomy	3
Standard 3: Competency Standard: Initial Certification Requirements	4
Standard 4: Education Requirement.....	5
Standard 5: CFP® Exam Requirement	8
Standard 6: Experience Requirement	9
Standard 7: Maintaining Certification.....	11
Discussion Topics	Error! Bookmark not defined.

Document Structure

The competency standards for CFP® certification focus on the program purpose, governance structure, initial requirements for certification, and requirements for maintaining certification.

The statements describing the **Standards** are numbered consecutively.

Accompanying each Standard are **Essential Elements**, which are related to the Standard and specify what must be fulfilled to meet the requirements of the Standard.

A second subsection under each Standard is called Commentary. The **Commentary** section clarifies terms, provides examples of business rules, board decisions, and samples that help explain a Standard.

Standard 1: Purpose

The CFP® certification, administered by CFP Board, identifies to the public those individuals who have been authorized to use the CFP® certification marks in the U.S., have met rigorous professional standards and have agreed to adhere to the principles of integrity, objectivity, competence, fairness, confidentiality, professionalism, and diligence when dealing with clients.

Essential Elements:

- A. CFP® professionals must:
 - satisfy the Registered Program coursework and bachelor's degree requirements,
 - pass the comprehensive CFP® Certification Examination,
 - complete 6,000 hours of professional experience related to the financial planning process,
 - satisfy CFP Board's Fitness Standards for Candidates and Registrants
- B. Agree to:
 - abide by CFP Board's Code of Ethics and Professional Responsibility and Rules of Conduct which put clients' interests first, and
 - comply with the Financial Planning Practice Standards which spell out what clients should be able to expect from the financial planning engagement.¹

Commentary:

1. The Board considered the following financial planner descriptor in 1996. "Personal financial planning practitioner" or "financial planning practitioner" denotes a person who is capable and qualified to offer objective, integrated, and comprehensive financial advice to or for the benefit of clients to help them achieve their financial objectives and who engages in financial planning using the financial planning process in working with clients.²
2. In 2014, the Board of Directors revised the definition of "Candidate for CFP® Certification" to the following: "Candidate for CFP certification" denotes a person who has completed the CFP Board's education coursework requirement, but who has not yet met all of CFP Board's certification requirements. Use of this status will be limited to three years from the date of the coursework completion requirement.

¹ CFP Board Guide to CFP® Certification p7

² The Board considered this descriptor in 2019

Standard 2: Governance and Autonomy

CFP Board is incorporated as an independent body with no subsidiaries or other entities that infringe upon its autonomy. The Board of Directors retains oversight of the CFP® certification program.

Essential Elements:

- CFP Board is a 501(c)(3) organization. CFP Board has the autonomy to make decisions for all essential certification policies and activities.
- CFP Board's Board of Directors includes both individuals from the certified population and individuals who represent the public.

Commentary:

- For the purposes of certification standards, CFP Board's Governance Policy Manual states, "The CEO may not alter, amend, or promulgate any standards that have not been approved in writing by the Board"
- CFP Board's Bylaws provide for CFP Board to maintain an annual nomination process wherein no outside entity has nominating or selection authority regarding the composition of the Board of Directors.
- On January 25, 2023, CFP Board announced a change in the tax status for the organization. Moving forward, CFP Board will operate as two affiliated organization, both focused on achieving CFP Board's Strategic Priorities.
 - 501(c)(3): CFP Board Center for Financial Planning
 - 501(c)(6): CFP Board of Standards

CFP Board has the autonomy to make decisions for all essential certification policies and activities.

CFP Board's Board of Directors includes both individuals from the certified population and individuals who represent the public.

The 501(c)(6) organization will be called CFP Board of Standards. The 501(c)(3) organization will be called CFP Board Center for Financial Planning.

CFP BOARD

501(c)(3): CFP Board Center for Financial Planning

Mission: Advance competent and ethical financial planning and expand CFP® professional diversity for the benefit of the public.

501(c)(6): CFP Board of Standards

Mission: Credential competent and ethical financial planners, uphold CFP® certification as the recognized standard and advance the financial planning profession.

Standard 3: Competency Standard: Initial Certification Requirements

To become certified, candidates are required to meet the four initial certification requirements (known as the four “E”s):

- Education
- Examination
- Experience
- Ethics

Essential Elements:

- A. Education: the candidate must demonstrate mastery of the personal financial planning curriculum through successful completion of a CFP Board Registered Program or Board approved substitution thereof.
- B. Examination: the candidate must successfully complete the certification examination. The candidate must complete the education requirement before taking the examination.
- C. Experience: the candidate must demonstrate appropriate experience in financial planning-related activities.
- D. For the Competency Commission, components of the ethics requirement are excluded.

Commentary:

1. A candidate must meet all four of the previous requirements to be licensed to use the certification mark and the service marks CFP and Certified Financial Planner.
2. The term “Examination” refers to a single examination.
3. Non-Discrimination Policy
It is CFP Board’s policy to provide candidates for CFP® certification, CFP® professionals, and individuals seeking to reinstate their CFP® certification equal access to CFP® certification regardless of race, color, national origin, religion, age, disability, marital or partnership status, personal appearance, military status, sex, gender identity or expression, sexual orientation, family responsibilities, political affiliation, genetic information, or any other characteristic protected by federal, state, or local law.³

³ <https://www.cfp.net/get-certified/certification-process/exam-requirement/registration/eligibility> 1/31/2023

Standard 4: Education Requirement

CFP® certification requires candidates to acquire the knowledge required to deliver professional, competent, and ethical financial planning services to clients, as outlined in the major personal financial planning knowledge domains identified by CFP Board's most recent Practice Analysis Study.

Essential Elements:

- A. CFP Board's education coursework component requires the completion of a college-level program of study in personal financial planning, or an accepted equivalent, including completion of a financial plan development (capstone) course registered with CFP Board.
- B. Candidates must earn a bachelor's degree (or higher) from an accredited college or university to obtain CFP® certification.

Commentary:

1. The coursework requirement is a prerequisite requirement for candidates to be eligible to take the CFP® Certification Examination.
2. A CFP Board Registered Program is an academic program within a college or university with a curriculum registered with CFP Board that provides a course of study in financial planning.
3. Coursework must cover major personal financial planning areas: Professional Conduct and Regulation, General Principles of Financial Planning, Psychology of Financial Planning, Risk Management and Insurance Planning, Investment Planning, Tax Planning, Retirement Savings and Income Planning, Estate Planning, Financial Plan Development (Capstone Course).
4. CFP Board reviews the upper division undergraduate level and graduate level programs at colleges or universities to ensure that they cover the core knowledge needed to practice personal financial planning. Regardless of program type, the curriculum taught must be the equivalent of at least 18 semester credit hours.
5. All CFP Board-registered degree programs are accredited by an accrediting body for colleges and universities.
6. Candidates must complete the coursework requirement through one of the following methods:
 - Successful completion of all the courses that comprise a CFP Board-Registered Program
 - Completion of courses from multiple CFP Board-Registered Programs that address all required personal financial planning principal knowledge topics
 - Completion of the accelerated pathway by holding a specific academic degree or professional credential accepted by CFP Board and completing a capstone course registered with CFP Board
 - Receiving credit for coursework based on international equivalency

There are some degree-granting institutions outside of the USA that maintain accreditation through a regional accrediting agency recognized by the U.S. Department of Education. The courses from these institutions are eligible for CFP Board's transcript review process. The Director of Education evaluates international equivalency submissions and issues credit for items that meet coursework completion requirements.

7. CFP Board established an accelerated pathway for candidates who have obtained one of the following designations: CPA, CFA, CLU, ChFC, Licensed Attorney, Ph.D. in Financial Planning, Finance or Economics, Doctor of Business Administration, International CFP Certification. The pathway bypasses the course work requirement. Meeting the accelerated path requirement makes candidates automatically eligible to register for the CFP® Examination after completing the capstone course requirement. The exam application submission must include specific documentation verifying the qualified degree or credential.

New ChFC's since 2019 have an integrated capstone component to their designation requirements. They are still required to submit completion of their capstone course for review.

8. CFP Board allows qualifying candidates to complete an alternative capstone course that does not require contact hours. Candidates taking the alternative capstone course move directly to the final project of developing and presenting a financial plan. CFP Board maintains agreements with the College for Financial Planning and The American College (participating schools) to offer the alternative capstone course to qualifying candidates.

To qualify for the alternative capstone course, candidates must meet the qualifications for the accelerated path and satisfy CFP Board's experience requirement, either through the Standard Pathway or the Apprenticeship Pathway. First, candidates must obtain CFP Board approval to enroll into the alternative capstone course. Candidates fill out an online form on CFP Board's website to request a certificate of eligibility. The education staff verifies the candidate's qualification for the accelerated path and fulfillment of CFP Board's experience requirement. If the requirements are met, the education team provides a Certificate of Eligibility to the candidate. The candidate submits the certificate to one of the participating schools to enroll into the capstone alternative course.

9. Candidates can receive credit for the coursework requirement through coursework not taken through a CFP Board Registered Program. Candidates must apply for transcript review to receive credit toward the course work requirement. The transcript review confirms that candidates have completed acceptable college level coursework addressing CFP Board's major personal financial planning areas.
10. CFP Board allows candidates to satisfy the coursework requirement through multiple CFP Board Registered Programs. Candidates must self-report course completion to CFP Board unless they have formally transferred credits into one program. CFP Board uses the Principal Knowledge Topics list to map out which courses will qualify. CFP Board must find evidence of the topics through course materials to award credit.
11. The bachelor's degree requirement is a condition of initial certification. Candidates must earn a bachelor's degree (or higher) from an accredited college or university to obtain CFP® certification. Accreditation must be recognized by the U.S. Department of Education at the time the degree is awarded.
12. Candidates must complete the bachelor's degree requirement no later than five years after the date they passed the CFP® exam. There is a one-time, three-year extension to the five-year period granted on a case-by-case basis.

13. The bachelor's degree requirement is not a prerequisite requirement for candidates to be eligible to take the CFP® Certification Examination.
14. In 2010, the Board of Directors approved the change in Education standards to add a Financial Plan Development course, with a minimum length of three semester hours (or 45 contact hours or the equivalent), as an addition to the current Registered Program curriculum requirements. CFP Board implemented the change in 2012.

Further, the Accelerated Path status and Transcript Review standards are also changed to include the addition of a Financial Plan Development course requirement.

The course learning objectives require that the student demonstrate capability of preparing a comprehensive financial plan with the ability to integrate subject matter knowledge, apply financial planning process, and communicate the plan to client. Course assessment is based on integration and application of the subject matter knowledge in the context of the financial planning process.

Standard 5: CFP® Exam Requirement

The CFP® Certification Examination is designed to assess a candidate's ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations. By passing the exam, professionals demonstrate to the public that they have attained a competency level necessary to practice independently as a financial planner.

Essential Elements:

- A. Candidates must successfully complete the education coursework requirement before taking the CFP® exam.
- B. CFP Board conducts regular practice analyses to ensure the exams reflect the current practice of financial planning. The practice analysis identifies the important tasks performed by CFP® professionals and assesses the knowledge and skills needed to perform these tasks.
- C. Exam questions are written and reviewed by volunteer CFP® professionals that include practicing financial planners and financial planning educators.

Commentary:

- 1. The CFP® exam is currently administered in a computer-based format in test centers and remotely via remote proctored platform.
- 2. The exam tests current tax law. The tax tables and other indexed numbers are provided to candidates during the exam.
- 3. The exam presents questions in a multiple-choice format.
- 4. There are two primary types of questions, standalone multiple-choice, and scenario-based questions. Scenarios can be brief, with a few accompanying questions, or more extensive, with 10-20 associated questions.
- 5. CFP Board pilot tests content before using questions for certification decisions.
- 6. CFP Board tests regulatory changes within 6 months of enactment.
- 7. CFP Board administers the exam three-times per year in March, July, November.
- 8. The CFP® examination is a pass or fail exam. The primary goal of a certification exam is to separate those who have met the certification standard (passing) from those who have not (failing). Certification exams are constructed to provide the best precision at the passing point. They are not designed to rank-order candidate. Rank-ordering scores (e.g., SAT scores for college admission) in a fashion that would suggest the degree to which a candidate failed (or passed) would be an inappropriate use of the test results.
- 9. Tests are developed based on psychometric standards to ensure validity.
- 10. Once the exam is completed, candidates must complete continuing education requirements. Candidates who do not complete the CFP® certification process within 12 months of passing the CFP® examination will accrue a continuing education (CE) requirement at a rate of 15 CE hours per year (1.25 CE hours per month).

Standard 6: Experience Requirement

CFP Board requires initial certificants to have some professional experience in the personal financial planning process. This demonstrates to the public the CFP®'s ability to provide unsupervised financial planning.

Essential Elements:

- A. CFP Board requires three years full-time qualifying experience or the equivalent of 6,000 hours to satisfy the requirement.

Qualifying Experience for CFP® certification must satisfy a two-part requirement.

Part 1: Financial Planning Process - Qualifying experience must fall within one or more of the 7 primary elements of the personal financial planning process:

- Understanding the Client's Personal and Financial Circumstances
- Identifying and Selecting Goals
- Analyzing the Client's Current Course of Action and Potential Alternative Course(s) of Action
- Developing the Financial Planning Recommendation(s)
- Presenting the Financial Planning Recommendation(s)
- Implementing the Financial Planning Recommendation(s)
- Monitoring Progress and Updating

Part 2: Qualifying Experience Activities - Qualifying experience can be satisfied through one or more of the following 5 ways:

- Personally, engaging with individual clients.
- Supporting the financial planner and/or financial planning process (directly or indirectly).
- Supervising financial planners and/or the financial planning process (and may also have direct client interaction).
- Completing an internship or the Financial Planning Association (FPA) residency program.
- Teaching college-level courses in financial planning concepts.

- B. CFP Board offers an alternative apprenticeship pathway that requires 4,000 hours of qualifying experience. Qualification through the pathway requires for activities and responsibilities to satisfy a 3-part requirement.

Part 1: Financial Planning Process - Qualifying job activities must include experience in all 7 primary elements of the personal financial planning process:

- Understanding the Client's Personal and Financial Circumstances
- Identifying and Selecting Goals

- Analyzing the Client’s Current Course of Action and Potential Alternative Course(s) of Action
- Developing the Financial Planning Recommendation(s)
- Presenting the Financial Planning Recommendation(s)
- Implementing the Financial Planning Recommendation(s)
- Monitoring Progress and Updating

Part 2: All 4,000 hours of qualifying experience must be delivered by personally engaging with individual clients.

Part 3: All 4,000 hours of qualifying experience must be completed under the direct supervision of a CFP® professional, with verification and attestation from the supervising CFP® professional conducted by CFP Board.

Commentary:

1. Experience must be completed within 10 years before and/or 5 years after successful completion of the CFP® exam. If a start date for an experience entry falls outside of the 10-year lookback window, candidates will need to add additional experience within the appropriate timeline.
2. If candidates make progress with completing experience but need more time past their 5-year deadline, there is an option to submit a Policy Exception Request Form for an extension of up to 3 years. The Policy Exception must be received at least 60 days in advance of their 5-year deadline, and they must enter all qualifying experience earned to date in the online Experience Profile.
3. If the experience requirement is not completed within 12 months of successful completion of the CFP® exam, candidates must complete continuing education (CE) before certification. CE will accrue 1.25 hours per month until the experience and degree requirements are completed. Any accrued CE must be completed before becoming certified.
4. Candidates can use pro-bono work as work experience.
5. Residency programs and programs similar in structure and length of study with case presentations designed and critiqued by experienced CFP® practitioners can be granted up to three months of credit toward the work experience requirement.
6. Indirect support of a financial planner and/or the financial planning process as qualifying experience toward initial certification.
7. Indirect support is defined as, “Responsibilities and activities demonstrate financial planning knowledge and competencies and indirectly support the financial planning process which will benefit an individual client. “
8. Direct support is defined as, “Responsibilities and activities directly support the activities of one or more financial planners/professionals. “

Standard 7: Maintaining Certification

CFP® certification is time limited consisting of an initial certification period that is a prorated cycle followed by a two-year certification cycle based on the certificant's date of birth.

Essential Elements:

1. Candidates are required to complete 30 hours of continuing education (CE) each reporting period: 2 hours of CFP Board approved Ethics CE, and 28 hours of CE covering one or more of CFP Board's Principal Topics.
2. Candidates must complete continuing education related to personal financial planning topics to demonstrate continued competency in financial planning.
3. During the initial certification period continuing education is prorated.
4. Each year certificants are required to pay an annual certification fee and submit a Renewal Application, where they confirm their adherence to CFP Board's Code of Ethics and Standards of Conduct.
5. Reinstatement is required for lapsed certification.

Commentary:

1. A CFP Board ethics course includes the completion of a 2-hour, CFP Board-approved ethics CE course.
2. Credit for CE is awarded only for programs that relate directly to the current CFP® examination Principal Knowledge Topics.
3. CFP Board approved random monitoring and audits for continuing education programs using qualified volunteers.
4. Certificants can cure deficiencies in continuing education requirements in 90 days after the audit.
5. Reinstatement of lapsed certifications requires the following steps:
 - a. Submission of the Intent to Reinstate form
 - b. Payment of a \$100 reinstatement fee
 - c. Report outstanding CE
 - d. Complete a renewal application and pay the renewal fee
 - e. Pass a background check
6. An individual applying for reactivation more than five years from the effective date of exempt status, will be required to pass the current comprehensive CFP licensing examination.

