This *Roadmap to the Code of Ethics and Standards of Conduct (Roadmap)* is a tool that CFP® professionals and their firms may use to develop a practical understanding of the revised *Code and Standards*. The *Roadmap* provides an overview of the structure and content of the *Code and Standards* and contains five guidance resources that CFP Board developed to assist CFP® professionals and their firms with implementing the *Code and Standards*: the (1) Financial Advice Engagements Disclosure Guide; (2) Financial Planning Engagements Disclosure Guide; (3) Practice Standards Reference Guide; (4) Financial Advice Engagements Compliance Guide; and (5) Financial Planning Engagements Compliance Guide.

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INTRODUCTION TO THE CODE AND STANDARDS

CFP Board’s Code of Ethics and Standards of Conduct reflects the commitment that all CFP® professionals make to high standards of competency and ethics. The Code of Ethics applies at all times, and sets forth principles that guide the behavior of CFP® professionals, with elaboration provided in the Standards that follow. The cornerstone of the Code and Standards is a CFP® professional’s duty to act as a fiduciary and, therefore, act in the best interests of the Client at all times when providing Financial Advice.

**CODE OF ETHICS**
A CFP® professional must:

- Act with honesty, integrity, competence, and diligence.
- Act in the client’s best interests.
- Exercise due care.
- Avoid or disclose and manage conflicts of interest.
- Maintain the confidentiality and protect the privacy of client information.
- Act in a manner that reflects positively on the financial planning profession and CFP® certification.
The Code and Standards sets forth the duties that a CFP® professional owes to Clients, firms and subordinates, and CFP Board. Most duties apply at all times. Additional duties apply when a CFP® professional is providing Financial Advice and when a CFP® professional is providing Financial Advice that requires Financial Planning. The duties that apply at all times also apply when providing Financial Advice and when providing Financial Advice that requires Financial Planning. The duties that apply when providing Financial Advice also apply when providing Financial Advice that requires Financial Planning.

### Duties of a CFP® Professional

<table>
<thead>
<tr>
<th>At All Times</th>
<th>To Clients</th>
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<th>To CFP Board</th>
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<td>• Integrity</td>
<td>• Use Reasonable Care When Supervising</td>
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<td>• Competence</td>
<td>• Comply with Lawful Objectives of CFP® Professional’s Firm</td>
<td>• Reporting</td>
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<td>• Diligence</td>
<td>• Provide Notice of Public Discipline</td>
<td>• Provide Narrative Statement</td>
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<td>• Sound and Objective Professional Judgment</td>
<td>• Duties When Communicating with a Client</td>
<td>• Cooperation</td>
<td></td>
</tr>
<tr>
<td>• Professionalism</td>
<td>• Duties When Representing Compensation Method</td>
<td>• Compliance with Terms and Conditions of Certification and Trademark License</td>
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<tr>
<td>• Comply with the Law</td>
<td>• Duties When Selecting, Using, and Recommending Technology</td>
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</tr>
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<td>• Confidentiality and Privacy</td>
<td>• Refrain from Borrowing or Lending Money and Commingling Financial Assets</td>
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### Financial Advice

- The Duties That Apply At All Times (see above)
- Fiduciary Duty
- Disclose and Manage Conflicts of Interest
- Provide Information to a Client
- Duties When Recommending, Engaging, and Working with Additional Persons

### Financial Planning

- The Duties That Apply When Providing Financial Advice (see above)
- The Practice Standards for the Financial Planning Process
- Information to a Client in Writing

A CFP® Professional Has Duties That Apply:

- **AT ALL TIMES**
- **WHEN PROVIDING FINANCIAL ADVICE**
- **WHEN PROVIDING FINANCIAL PLANNING**
The cornerstone of the Code and Standards is the Fiduciary Duty. At all times when providing Financial Advice to a Client, a CFP® professional must act as a fiduciary and, therefore, act in the best interests of the Client.

What does it mean to act as a fiduciary and, therefore, act in the best interests of the Client? A CFP® professional must fulfill the following duties:

**Fiduciary Duty**

A CFP® professional must:

1. Place the interests of the Client above the interests of the CFP® professional and the CFP® Professional’s Firm;
2. Avoid Conflicts of Interest, or fully disclose Material Conflicts of Interest to the Client, obtain the Client’s informed consent, and properly manage the conflict; and
3. Act without regard to the financial or other interests of the CFP® professional, the CFP® Professional’s Firm, or any individual or entity other than the Client, which means that a CFP® professional acting under a Conflict of Interest continues to have a duty to act in the best interests of the Client and place the Client’s interests above the CFP® professional’s.

**Duty of Loyalty**

A CFP® professional must act with the care, skill, prudence, and diligence that a prudent professional would exercise in light of the Client’s goals, risk tolerance, objectives, and financial and personal circumstances.

**Duty to Follow Client Instructions**

A CFP® professional must comply with the terms of the Client engagement and follow all directions of the Client that are reasonable and lawful.
THE FINANCIAL ADVICE FRAMEWORK

AM I PROVIDING FINANCIAL ADVICE TO A CLIENT?

NO

THE FIDUCIARY DUTY DOES NOT APPLY, BUT A CFP® PROFESSIONAL MUST ABIDE BY THE CODE OF ETHICS AND OTHER STANDARDS.

YES

THE FIDUCIARY DUTY APPLIES.

DOES THE FINANCIAL ADVICE REQUIRE FINANCIAL PLANNING?

NO

YES

THE FIDUCIARY DUTY APPLIES, BUT A CFP® PROFESSIONAL IS NOT REQUIRED TO APPLY THE PRACTICE STANDARDS FOR THE FINANCIAL PLANNING PROCESS, PROVIDE FINANCIAL PLANNING, OR PROVIDE INFORMATION TO THE CLIENT IN WRITING.

THE CLIENT AGREE TO ENGAGE FOR FINANCIAL PLANNING?

NO

YES

THE FIDUCIARY DUTY APPLIES, AND A CFP® PROFESSIONAL IS REQUIRED TO APPLY THE PRACTICE STANDARDS FOR THE FINANCIAL PLANNING PROCESS, PROVIDE FINANCIAL PLANNING, AND PROVIDE INFORMATION TO THE CLIENT IN WRITING.
AM I PROVIDING FINANCIAL ADVICE?

WHAT IS FINANCIAL ADVICE?

- A communication that, based on its content, context, and presentation, would reasonably be viewed as a recommendation that the Client take or refrain from taking a particular course of action with respect to:
  - The development or implementation of a Financial Plan;
  - The value of or the advisability of investing in, purchasing, holding, gifting, or selling Financial Assets;
  - Investment policies or strategies, portfolio composition, the management of Financial Assets, or other financial matters; or
  - The selection and retention of other persons to provide financial or Professional Services to the Client; or
- The exercise of discretionary authority over the Financial Assets of a Client.

WHAT IS NOT FINANCIAL ADVICE?

- A communication that, based on its content, context, and presentation, would not reasonably be viewed as a recommendation;
- Responses to directed orders; and
- The following, if a reasonable CFP® professional would not view it as Financial Advice:
  - Marketing Materials;
  - General Financial Education; and
  - General Financial Communications.

The determination of whether Financial Advice has been provided is an objective rather than subjective inquiry.

The more individually tailored the communication is to the Client, the more likely the communication will be viewed as Financial Advice.
If the answer to any of the following is **YES**, then this is a Financial Planning Engagement, and you must comply with the Practice Standards for the Financial Planning Process. If **NO**, then the engagement for Financial Advice does not require Financial Planning, and you are not required to comply with the Practice Standards for the Financial Planning Process.

### Integration Factors:
- The number of relevant elements of the Client’s personal and financial circumstances that the Financial Advice may affect;
- The portion and amount of the Client’s Financial Assets that the Financial Advice may affect;
- The length of time the Client’s personal and financial circumstances may be affected by the Financial Advice;
- The effect on the Client’s overall exposure to risk if the Client implements the Financial Advice; and
- The barriers to modifying the actions taken to implement the Financial Advice.

### What do you do if the Client doesn’t agree to engage you for Financial Planning? Pick One.

- **Not enter into the Engagement; or**
- **Limit the Scope of Engagement to services that do not require application of the Practice Standards for the Financial Planning Process, and describe to the Client the services the Client requests that the CFP® professional will not be performing; or**
- **Provide the requested services after informing the Client how Financial Planning will benefit the Client and how the decision not to enter into a Financial Planning engagement may limit the Financial Advice; or**
- **Terminate the Engagement.**
When to Document:
A CFP® professional must act prudently in documenting information, as the facts and circumstances require, taking into account:

- The significance of the information;
- The need to preserve the information in writing;
- The obligation to act in the Client’s best interest; and
- The Firm’s policies and procedures.

Acceptable Documentation:
Options include using:
- CRM software;
- Handwritten notes; or
- Emails.

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

The Financial Planning Process

WHEN IN DOUBT, DOCUMENT
A CFP® professional has a duty to provide information to a Client. Whether information may be provided orally or must be provided in writing depends upon whether the Financial Advice that is being provided requires Financial Planning.

CFP Board has prepared a **Financial Advice Engagements Disclosure Guide** and a **Financial Planning Engagements Disclosure Guide**. The Disclosure Guides describe in detail the Duty to Provide Information to a Client. Set forth below is a brief summary of the categories of information that must be shared with the Client, and whether the information must be provided orally or in writing. The requirement to provide information to a Client set forth in CFP Board’s *Code and Standards* is in addition to any requirements that apply under applicable law.

---

**Financial Advice**

- **Provide in One or More Written Documents**
  - Privacy Policy

- **Provide Orally or in Writing**
  - Material Conflicts of Interest
  - Services and Products
  - How the Client Pays
  - How you, your Firm, and Related Parties are Compensated
  - Public Discipline and Bankruptcy
  - Referral Compensation Arrangements
  - Other Material Information

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**Financial Planning**

- **Provide in One or More Written Documents**
  - Privacy Policy
  - Services and Products
  - How the Client Pays
  - How you, your Firm, and Related Parties are Compensated
  - Public Discipline and Bankruptcy
  - Referral Compensation Arrangements
  - Terms of Engagement (Implementing, Monitoring, and Updating Is Required Unless Explicitly Excluded)
  - Other Material Information

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**DUTY TO PROVIDE INFORMATION TO A CLIENT**

THE PRACTICE STANDARDS FOR THE FINANCIAL PLANNING PROCESS
## Information for All Financial Advice Engagements (1 of 3)

### What Information Must I Share?

### Which Documents May Contain This Information?

<table>
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<tr>
<th>Services and Products: A description of the services and products to be provided. Code and Standards Section A.10.a.i.</th>
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<td>• Form ADV Part 2(A): Item 4;</td>
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<td>• Bank Trust Instrument and related documents required under state trust law;</td>
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<td>• Disclosure documents required by federal banking regulators;</td>
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<td>• Form ADV, Part 3: Form CRS: Item 2.</td>
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### When Must I Provide the Information Under the Code and Standards? (Applicable Law May Have Additional Requirements)

**Initially:** Prior to or at the time of the Engagement. This information is typically provided at the first or second meeting with the Client.

**Required Updates:** Whenever there is a Material change or update to the information.

### How Must I Provide the Information Under the Code and Standards? (Applicable Law May Have Additional Requirements)

**Orally or in Writing** (in one or more documents). If the information is provided orally, the CFP® professional must document the fact that the information was provided.

As a best practice, CFP Board recommends that CFP® professionals provide this information in writing.

### How the Client Pays:

How the Client pays for the products and services, and a description of the additional types of costs that the Client may incur, including product management fees, surrender charges, and sales loads. Code and Standards Section A.10.a.ii.

<table>
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<tr>
<th>How the Client Pays:</th>
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<tbody>
<tr>
<td>• Form ADV Part 2(A): Items 5, 6, 10, 12, 14, and 19.C;</td>
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<tr>
<td>• Form ADV Part 2(B) Brochure Supplement: Item 5;</td>
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</table>

### How Must I Provide the Information Under the Code and Standards? (Applicable Law May Have Additional Requirements)

### How You and Others Are Compensated:

How the CFP® professional, the CFP® Professional’s Firm, and any Related Party are compensated for providing the products and services. Code and Standards Section A.10.a.iii.

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<td>• Bank Trust Instrument and related documents required under state trust law;</td>
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</table>
### Information that must be provided to Clients in all Financial Advice Engagements

<table>
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<tr>
<th>What Information Must I Share?</th>
<th>Which Documents May Contain This Information?</th>
<th>When Must I Provide the Information Under the Code and Standards? (Applicable Law May Have Additional Requirements)</th>
<th>How Must I Provide the Information Under the Code and Standards? (Applicable Law May Have Additional Requirements)</th>
</tr>
</thead>
</table>
| **Public Discipline and Bankruptcy:**  
The existence of any public discipline or bankruptcy, and the location(s), if any, of the webpages of all relevant public websites of any governmental authority, self-regulatory organization, or professional organization that sets forth the CFP® professional’s public disciplinary history or any personal bankruptcy or business bankruptcy where the CFP® professional was a Control Person.  
*Code and Standards Section A.10.a.iv.*  
• Form ADV Part 2(B) Brochure Supplement: Items 3 and 7;  
• BrokerCheck Report – www.BrokerCheck. FINRA.org;  
• CFP Board’s Verify-A-CFP® Professional Search Tool – http://www.letsmakeaplan.org/choose-a-cfp-professional/verify-a-cfp-professional;  
• Public Access to Court Electronic Records (PACER) / Electronic Case Filing (ECF) Database – www.pacer.gov;  
• Any other federal court website that contains the bankruptcy information; and  
• Form ADV, Part 3: Form CRS: Item 4. | **Disciplinary and Bankruptcy Updates:**  
Within 90 days of any Material changes and updates to public disciplinary history or bankruptcy information. | **Orally or in Writing** (in one or more documents).  
If the information is provided orally, the CFP® professional must document the fact that the information was provided.  
As a best practice, CFP Board recommends that CFP® professionals provide this information in writing. |
| **Material Conflicts of Interest:**  
Full disclosure of all Material Conflicts of Interest with the CFP® professional’s Client that could affect the professional relationship. This obligation requires the CFP® professional to provide the Client with sufficiently specific facts so that a reasonable Client would be able to understand the CFP® professional’s Material Conflicts of Interest and the business practices that give rise to the conflicts, and give informed consent to such conflicts or reject them.  
*Code and Standards Section A.5.a. and A.10.a.v.*  
| • Form ADV Part 2(A): Items 10, 12, and 14;  
• Engagement Letter or Agreement;  
• Investment Advisory Agreement;  
• ERISA Section 408(b)(2) Sponsor disclosures;  
• Bank Trust Instrument and related documents required under state trust law;  
• Bank disclosures pursuant to federal banking regulations;  
• Brokerage Agreement;  
• Offering Documents;  
• Prospectus;  
• Insurance Illustration(s); and  
• Form ADV, Part 3: Form CRS: Item 3. | **Initially:** Before or when providing any Financial Advice regarding which the CFP® professional has a Material Conflict of Interest.  
**Required Updates:** Whenever there is a Material change or update to the information. | **In Writing** (in one or more documents). |
| **Written Privacy Policies:**  
Written notice of policies regarding the protection, handling, and sharing of a Client’s non-public personal information.  
| • Privacy Notice required under SEC’s Regulation S-P;  
• Privacy Notice required under Consumer Financial Protection Bureau regulations; and  
• State-specific Privacy Notice(s). | **Initially:** At the time of the Engagement.  
**Required Updates:** Not less than annually (at least once in any 12-month period) unless:  
1. Your policies have not changed since the last notice sent to the Client; and  
2. You do not disclose non-public personal information other than as permitted without a Client’s consent. | **In Writing** (in one or more documents). |
### Information for All Financial Advice Engagements (3 of 3)

<table>
<thead>
<tr>
<th>What Information Must I Share?</th>
<th>Which Documents May Contain This Information?</th>
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<tr>
<td><strong>Referral Compensation Arrangement:</strong> Any arrangement by which someone who is not the Client will compensate or provide some other material economic benefit to you, your firm, or a Related Party for engaging or recommending the selection or retention of additional persons to provide financial or Professional Services for a Client. <em>Code and Standards Section A.13.a.ii. and A.10.a.vii.</em></td>
<td>• Form ADV Part 2(A): Items 10, 11, 12, 14, and 19.C; • Engagement Letter or Agreement; • Investment Advisory Agreement; • ERISA Section 408(b)(2) Sponsor disclosures; and • Form ADV, Part 3: Form CRS: Item 3.</td>
<td>Initially: Prior to the Engagement or at the time of the recommendation. <strong>Required Updates:</strong> Whenever there is a Material change or update to the information.</td>
<td>Orally or in Writing (in one or more documents). If the information is provided orally, the CFP® professional must document the fact that the information was provided. As a best practice, CFP Board recommends that CFP® professionals provide this information in writing.</td>
</tr>
<tr>
<td><strong>Other Material Information:</strong> Any other information about the CFP® professional or the CFP® Professional’s Firm that is Material to a Client’s decision to engage or continue to engage the CFP® professional or the CFP® Professional’s Firm. <em>Code and Standards Section A.10.a.viii.</em></td>
<td>• Engagement Letter or Agreement; • Investment Advisory Agreement; • Bank Trust Agreement and related documents; • Brokerage Agreement; • Offering Documents; • Prospectus; • Insurance Illustration(s); and • Form ADV, Part 3: Form CRS: Item 5.</td>
<td>Initially: Prior to or at the time of the Engagement. This information is typically provided at the first or second meeting with the Client. <strong>Required Updates:</strong> Whenever there is a Material change or update to the information. <strong>Disciplinary and Bankruptcy Updates:</strong> Within 90 days of any Material changes and updates to public disciplinary history or bankruptcy information.</td>
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<td><strong>Services and Products:</strong> A description of the services and products to be provided. <em>Code and Standards Section A.10.a.i.</em></td>
<td>• Form ADV Part 2(A): Item 4; Engagement Letter or Agreement; • Investment Advisory Agreement; • Bank Trust Instrument and related documents required under state trust law; • Disclosure documents required by federal banking regulators; • Brokerage Agreement; • Offering Documents; • Prospectus; • Insurance Illustration(s); and • Form ADV, Part 3: Form CRS: Item 2.</td>
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<td><strong>How the Client Pays:</strong> How the Client pays for the products and services, and a description of the additional types of costs that the Client may incur, including product management fees, surrender charges, and sales loads. <em>Code and Standards Section A.10.a.ii.</em></td>
<td>• Form ADV Part 2(A): Items 5, 6, 10, 12, 14, and 19.C; • Form ADV Part 2(B) Brochure Supplement: Item 5; • Engagement Letter or Agreement; • Investment Advisory Agreement; • Bank Trust Instrument and related documents required under state trust law; • Disclosure documents required by federal banking regulators; • Brokerage Agreement; • Offering Documents; • Prospectus; • Insurance Illustration(s); and • Form ADV, Part 3: Form CRS: Item 2.</td>
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<td><strong>How You and Others are Compensated:</strong> How the CFP® professional, the CFP® Professional’s Firm, and any Related Party are compensated for providing the products and services. <em>Code and Standards Section A.10.a.iii.</em></td>
<td>• Form ADV Part 2(A): Items 5, 6, 10, 12, 14, and 19C; • Form ADV Part 2(B) Brochure Supplement: Item 5; • Engagement Letter or Agreement; • Investment Advisory Agreement; • ERISA Section 408(b)(2) Sponsor disclosures; • Bank Trust Instrument and related documents required under state trust law; • Disclosure documents required by federal and state banking regulators; • Brokerage Agreement; • Offering Documents; • Prospectus; • Insurance Illustration(s); and • Form ADV, Part 3: Form CRS: Item 3.</td>
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<td>Public Discipline and Bankruptcy: The existence of any public discipline or bankruptcy, and the location(s), if any, of the webpages of all relevant public websites of any governmental authority, self-regulatory organization, or professional organization that sets forth the CFP® professional’s public disciplinary history or any personal bankruptcy or business bankruptcy where the CFP® professional was a Control Person. Code and Standards Section A.10.a.iv.</td>
<td><strong>Disciplinary and Bankruptcy Updates:</strong> Within 90 days of any Material changes and updates to public disciplinary history or bankruptcy information.</td>
<td><strong>In Writing</strong> (in one or more documents).</td>
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<td>Material Conflicts of Interest: Full disclosure of all Material Conflicts of Interest the CFP® professional’s Client that could affect the professional relationship. This obligation requires the CFP® professional to provide the Client with sufficiently specific facts so that a reasonable Client would be able to understand the CFP® professional’s Material Conflicts of Interest and the business practices that give rise to the conflicts, and give informed consent to such conflicts or reject them. Code and Standards Section A.5.a. and A.10.a.v.</td>
<td><strong>Initially:</strong> Before or when providing any Financial Advice regarding which the CFP® professional has a Material Conflict of Interest. <strong>Required Updates:</strong> Whenever there is a Material change or update to the information.</td>
<td><strong>Orally or In Writing</strong> (in one or more documents). If the information is provided orally, the CFP® professional must document the fact that the information was provided. As a best practice, CFP Board recommends that CFP® professionals provide this information in writing.</td>
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<th>Which Documents May Contain This Information?</th>
<th>When Must I Provide the Information Under the Code and Standards? (Applicable Law May Have Additional Requirements)</th>
<th>How Must I Provide the Information Under the Code and Standards? (Applicable Law May Have Additional Requirements)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Written Privacy Policies:</strong></td>
<td>• Privacy Notice required under SEC’s Regulation S-P; • Privacy Notice required under Consumer Financial Protection Bureau regulations; and • State-specific Privacy Notice(s).</td>
<td>Initially: At the time of the Engagement. <strong>Required Updates:</strong> Not less than annually (at least once in any 12-month period) unless: i. Your policies have not changed since the last notice sent to the Client; and ii. You do not disclose non-public personal information other than as permitted without a Client’s consent.</td>
<td>In Writing (in one or more documents).</td>
</tr>
<tr>
<td>Written notice of policies regarding the protection, handling, and sharing of a Client’s non-public personal information. <em>Code and Standards</em> Section A.9.d. and A.10.a.vi.</td>
<td></td>
<td><strong>Initial:</strong> Prior to the Engagement or at the time of the recommendation. <strong>Required Updates:</strong> Whenever there is a Material change or update to the information.</td>
<td></td>
</tr>
<tr>
<td><strong>Referral Compensation Arrangement:</strong> Any arrangement by which someone who is not the Client will compensate or provide some other material economic benefit to you, your firm, or a Related Party for engaging or recommending the selection or retention of additional persons to provide financial or Professional Services for a Client. <em>Code and Standards</em> Section A.13.a.ii. and A.10.a.vii.</td>
<td>• Form ADV Part 2(A): Items 10, 11, 12, 14 and 19.C; • Engagement Letter or Agreement; • Investment Advisory Agreement; • ERISA Section 408(b)(2) Sponsor disclosures; and • Form ADV, Part 3: Form CRS: Item 3.</td>
<td><strong>Initially:</strong> Prior to the Engagement or at the time of the recommendation. <strong>Required Updates:</strong> Whenever there is a Material change or update to the information.</td>
<td></td>
</tr>
<tr>
<td><strong>Other Material Information:</strong> Any other information about the CFP® professional or the CFP® Professional’s Firm that is Material to a Client’s decision to engage or continue to engage the CFP® professional or the CFP® Professional’s Firm. <em>Code and Standards</em> Section A.10.a.viii.</td>
<td>• Engagement Letter or Agreement; • Investment Advisory Agreement; • Bank trust agreement and related documents; • Brokerage Agreement; • Offering Documents; • Prospectus; • Insurance Illustration(s); and • Form ADV, Part 3: Form CRS: Item 5.</td>
<td><strong>Initially:</strong> Prior to or at the time of the Engagement. <strong>Required Updates:</strong> Whenever there is a Material change or update to the information. <strong>Disciplinary and Bankruptcy Updates:</strong> Within 90 days of any Material changes and updates to public disciplinary history or bankruptcy information.</td>
<td></td>
</tr>
</tbody>
</table>
## Information that must be provided to Clients in all Financial Planning Engagements

<table>
<thead>
<tr>
<th>What Information Must I Share?</th>
<th>Which Documents May Contain This Information?</th>
<th>When Must I Provide the Information Under the Code and Standards? (Applicable Law May Have Additional Requirements)</th>
<th>How Must I Provide the Information Under the Code and Standards? (Applicable Law May Have Additional Requirements)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Terms of Engagement:</strong></td>
<td>• Form ADV Part 2(A): Items 14 and 16;</td>
<td>Initially: Prior to or at the time of the Engagement. This information is typically provided at the first or second meeting with the Client.</td>
<td>In Writing (in one or more documents).</td>
</tr>
<tr>
<td>The terms of the Financial Planning Engagement between the Client and the CFP® professional or the CFP® Professional's Firm, including:</td>
<td>• Bank Trust Agreement and related documents;</td>
<td>Required Updates: Whenever there is a Material change or update to the information.</td>
<td></td>
</tr>
<tr>
<td>• The Scope of Engagement and any limitations;</td>
<td>• Brokerage Agreement; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The period(s) during which the services will be provided; and</td>
<td>• Insurance Illustration(s).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The Client’s responsibilities.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A CFP® professional is responsible for implementing, monitoring, and updating the Financial Planning recommendation(s) unless specifically excluded from the Scope of Engagement.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Code and Standards Section A.10.b.ii.</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial Planning Implementation Responsibilities (Unless Specifically Excluded from Scope of Engagement):</strong></td>
<td>• Engagement Letter or Agreement;</td>
<td>Prior to or at the time of the Engagement, whenever the CFP® professional has implementation responsibilities (which are assumed unless they have been specifically excluded from the Scope of Engagement).</td>
<td></td>
</tr>
<tr>
<td>• The recommendations being implemented; and</td>
<td>• Investment Advisory Agreement;</td>
<td>Required Updates: Whenever there is a Material change or update to the information.</td>
<td></td>
</tr>
<tr>
<td>• The responsibilities of the CFP® professional, the Client, and any third party with respect to implementation.</td>
<td>• Bank Trust Agreement and related documents;</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Code and Standards Section C.6.a.</strong></td>
<td>• Brokerage Agreement; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Insurance Illustration(s).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial Planning Monitoring and Updating Responsibilities (Unless Specifically Excluded from Scope of Engagement):</strong></td>
<td>• Engagement Letter or Agreement;</td>
<td>Prior to or at the time of the Engagement, whenever the CFP® professional has monitoring and updating responsibilities (which are assumed unless they have been specifically excluded from the Scope of Engagement).</td>
<td></td>
</tr>
<tr>
<td>• Which actions, products, and services are and are not subject to the CFP® professional's monitoring responsibility;</td>
<td>• Investment Advisory Agreement;</td>
<td>Required Updates: Whenever there is a Material change or update to the information.</td>
<td></td>
</tr>
<tr>
<td>• How and when the CFP® professional will monitor the actions, products, and services;</td>
<td>• Bank Trust Agreement and related documents;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The Client's responsibility to inform the CFP® professional of any Material changes to the Client's qualitative and quantitative information;</td>
<td>• Brokerage Agreement; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The CFP® professional's responsibility to update the Financial Planning recommendations; and</td>
<td>• Insurance Illustration(s).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• How and when the CFP® professional will update the Financial Planning recommendations.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Code and Standards Section C.7.a.</strong></td>
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</tbody>
</table>
APPENDIX (3)

PRACTICE STANDARDS REFERENCE GUIDE

REFERENCE GUIDE TO THE PRACTICE STANDARDS FOR THE FINANCIAL PLANNING PROCESS
### STEP 1 – UNDERSTANDING THE CLIENT’S PERSONAL AND FINANCIAL CIRCUMSTANCES

<table>
<thead>
<tr>
<th>Standards</th>
<th>Tips</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Obtain qualitative and quantitative information.</td>
<td>• CFP Board’s Practice Standards for the Financial Planning Process provide examples of qualitative and quantitative information that may be needed.</td>
</tr>
<tr>
<td>• Describe to the Client the qualitative and quantitative information concerning the Client’s personal and financial circumstances needed to fulfill the Scope of Engagement and collaborate with the Client to obtain the information.</td>
<td>• Make sure to have necessary information and documents.</td>
</tr>
<tr>
<td>• Analyze information.</td>
<td>• Confirm with the Client that the information is accurate.</td>
</tr>
<tr>
<td>• Address incomplete information.</td>
<td>• Address with the Client any inconsistencies in the information provided.</td>
</tr>
</tbody>
</table>

**Examples of qualitative or subjective information:**
- Health
- Life expectancy
- Family circumstances
- Values
- Attitudes
- Expectations
- Earnings potential
- Risk tolerance
- Goals, needs, and priorities
- Current course of action

**Examples of quantitative or objective information:**
- Age
- Dependents
- Other professional advisors
- Income
- Expenses
- Cash flow
- Savings
- Assets
- Liabilities
- Available resources
- Liquidity
- Taxes
- Employee benefits
- Government benefits
- Insurance coverage
- Estate plans
- Capacity for risk
- Education and retirement accounts and benefits
### STEP 2 - IDENTIFYING AND SELECTING GOALS

<table>
<thead>
<tr>
<th>Standards</th>
<th>Tips</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Identify potential goals.</td>
<td>• Consider discussing with the Client how changes to assumptions and estimates may affect the Client’s goals.</td>
</tr>
<tr>
<td>• Discuss with the Client your assessment of the Client’s financial and personal circumstances.</td>
<td>• Consider providing to the Client in writing the reasonable assumptions and estimates you have used, such as life expectancy, inflation rates, tax rates, investment returns, and other Material assumptions or estimates.</td>
</tr>
<tr>
<td>• Develop reasonable assumptions and estimates.</td>
<td></td>
</tr>
<tr>
<td>• Discuss with the Client and apply reasonable assumptions and estimates.</td>
<td></td>
</tr>
<tr>
<td>• Select and prioritize goals.</td>
<td></td>
</tr>
<tr>
<td>• Note the impact that selecting a particular goal may have on other goals.</td>
<td></td>
</tr>
<tr>
<td>• Discuss with the Client any goals the Client has selected that you think are unrealistic.</td>
<td></td>
</tr>
</tbody>
</table>

#### Examples of assumptions and estimates:
- Life expectancy
- Inflation rates
- Tax rates
- Investment returns
- Other material assumptions and estimates
### Standards

- Analyze the current course of action.
- Analyze potential alternative courses of action.

### Tips

- Always determine whether the Client’s current course of action maximizes the potential for meeting the Client’s goals.
- Note that a potential alternative course of action does not become a recommendation until the CFP® professional selects it as a recommendation in Step 4 of the process.

<table>
<thead>
<tr>
<th>Standards</th>
<th>Tips</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Analyze the current course of action.</td>
<td>• Always determine whether the Client’s current course of action maximizes the potential for meeting the Client’s goals.</td>
</tr>
<tr>
<td>• Analyze material advantages and</td>
<td>• Note that a potential alternative course of action does not become a recommendation until the CFP® professional selects it as a recommendation in Step 4 of the process.</td>
</tr>
<tr>
<td>disadvantages of the current course of action.</td>
<td></td>
</tr>
<tr>
<td>• Analyze whether the current course maximizes</td>
<td></td>
</tr>
<tr>
<td>the potential for meeting the Client’s goals.</td>
<td></td>
</tr>
<tr>
<td>• When appropriate, consider and analyze</td>
<td></td>
</tr>
<tr>
<td>one or more potential alternative courses of</td>
<td></td>
</tr>
<tr>
<td>action, including their material advantages</td>
<td></td>
</tr>
<tr>
<td>and disadvantages, whether they help maximize</td>
<td></td>
</tr>
<tr>
<td>the potential for meeting the Client’s goals,</td>
<td></td>
</tr>
<tr>
<td>and how they integrate the relevant elements</td>
<td></td>
</tr>
<tr>
<td>of the Client’s personal and financial</td>
<td></td>
</tr>
<tr>
<td>circumstances.</td>
<td></td>
</tr>
</tbody>
</table>
**STEP 4 – DEVELOPING THE FINANCIAL PLANNING RECOMMENDATION(S)**

<table>
<thead>
<tr>
<th>Standards</th>
<th>Tips</th>
</tr>
</thead>
<tbody>
<tr>
<td>• From the current and potential alternative courses of action, select one or more recommendations designed to maximize the potential for meeting the Client’s goals.</td>
<td>• Sometimes no change is necessary; the recommendation may be to continue the Client’s current course of action.</td>
</tr>
<tr>
<td>• For each recommendation selected, you must consider the following:</td>
<td>• Document the basis for your recommendations.</td>
</tr>
<tr>
<td>o The assumptions and estimates used to develop the recommendation;</td>
<td>• Consider whether to modify previously selected goals.</td>
</tr>
<tr>
<td>o The basis for making the recommendation, including:</td>
<td></td>
</tr>
<tr>
<td>- How the recommendation is designed to maximize the potential to meet the Client’s goals,</td>
<td></td>
</tr>
<tr>
<td>- The anticipated material effects of the recommendation on the Client’s financial and personal circumstances, and</td>
<td></td>
</tr>
<tr>
<td>- How the recommendation integrates relevant elements of the Client’s personal and financial circumstances;</td>
<td></td>
</tr>
<tr>
<td>o The timing and priority of the recommendation; and</td>
<td></td>
</tr>
<tr>
<td>o Whether the recommendation is independent or must be implemented with another recommendation.</td>
<td></td>
</tr>
</tbody>
</table>
### STEP 5 – PRESENTING THE FINANCIAL PLANNING RECOMMENDATION(S)

<table>
<thead>
<tr>
<th>Standards</th>
<th>Tips</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Present to the Client the selected recommendation(s) and the information that was required to be considered in developing the recommendation(s).</td>
<td>• This is an opportunity to engage the Client in a conversation about your recommendations.</td>
</tr>
<tr>
<td>• Present to the Client:</td>
<td>• Consider whether to modify previously selected goal.</td>
</tr>
<tr>
<td>o The recommendation(s);</td>
<td>• Recommendations may be presented orally, in writing, in person, over the phone, or in another format that enables the Client to understand the recommendations.</td>
</tr>
<tr>
<td>o The assumptions and estimates used to develop the recommendation;</td>
<td>• Consider the complexity of your recommendations when determining the format in which to present your recommendations.</td>
</tr>
<tr>
<td>o The basis for making the recommendation, including:</td>
<td>• Document the recommendations. If you present the recommendations in writing, then retain a copy of the presentation.</td>
</tr>
<tr>
<td>- How the recommendation is designed to maximize the potential to meet the Client’s goals,</td>
<td>• Tailor the presentation to the Client’s level of sophistication.</td>
</tr>
<tr>
<td>- The anticipated material effects of the recommendation on the Client’s financial and personal circumstances, and</td>
<td></td>
</tr>
<tr>
<td>- How the recommendation integrates relevant elements of the Client’s personal and financial circumstances;</td>
<td></td>
</tr>
<tr>
<td>o The timing and priority of the recommendation; and</td>
<td></td>
</tr>
<tr>
<td>o Whether the recommendation is independent or must be implemented with another recommendation.</td>
<td></td>
</tr>
</tbody>
</table>
### Standards

- Address implementation responsibilities.
- If you have implementation responsibilities, identify, analyze, and select actions, products, and services designed to implement the recommendation(s).
- If you have implementation responsibilities, recommend one or more actions, products and services for implementation.
- If you have implementation responsibilities, select and implement actions, products, or services.

### Tips

- Establish with the Client whether you have responsibilities for implementing the Financial Planning recommendation(s).
- If you have implementation responsibilities, communicate to the Client the recommendations being implemented and the responsibilities of the CFP® professional, the Client, and any third party with respect to implementation.
- Consider the basis for each selection, which must include:
  - How the action, product, or service is designed to implement the recommendation; and
  - The advantages and disadvantages relative to reasonably available alternatives.
- Discuss with the Client:
  - The basis for selecting the action, product, or service,
  - The timing and priority of implementing the action, product, or service, and
  - Describe any Conflicts of Interest.
- Discuss with the Client any selection that deviates from your recommendation.

- Remember: *Code and Standards* Section A.10.b.ii states that you are responsible for implementing the Client’s Financial Planning recommendation(s) unless specifically excluded from the Scope of Engagement.
- Ensure that the delineation of implementation responsibilities is clear. Third parties involved in implementation could include attorneys or accountants, among others.
- Consider preparing and providing to the Client a written implementation plan.
- Consider documenting the selection of actions, products, or services that deviate from your recommendation.
### STEP 7 – MONITORING PROGRESS AND UPDATING (UNLESS SPECIFICALLY EXCLUDED FROM SCOPE OF ENGAGEMENT)

<table>
<thead>
<tr>
<th>Standards</th>
<th>Tips</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Establish monitoring and updating responsibilities.</td>
<td>• Remember: <em>Code and Standards</em> Section A.10.b.ii states that you are responsible for monitoring and updating the Client’s Financial Planning recommendation(s) unless specifically excluded from the Scope of Engagement.</td>
</tr>
<tr>
<td>• When you have responsibilities for monitoring and updating, you must communicate to the Client:</td>
<td>• Consider documenting your implementation, monitoring, and updating efforts.</td>
</tr>
<tr>
<td>o Which actions, products, and services are/are not subject to your monitoring responsibility;</td>
<td>• Be realistic and clear in setting monitoring expectations.</td>
</tr>
<tr>
<td>o How and when you will monitor actions, products, or services;</td>
<td>• Monitoring is an ongoing obligation unless the Engagement is terminated.</td>
</tr>
<tr>
<td>o The Client’s responsibility to inform you of any Material changes to the Client’s qualitative and quantitative information;</td>
<td>• You should document when the Engagement is not ongoing.</td>
</tr>
<tr>
<td>o Your responsibility to update the Financial Planning recommendations; and</td>
<td>• Ensure that you have appropriate access to or authority to communicate with third parties to gather information to fulfill your monitoring responsibilities.</td>
</tr>
<tr>
<td>o How and when you will update the Financial Planning recommendations.</td>
<td></td>
</tr>
<tr>
<td>• Monitor the Client’s progress.</td>
<td></td>
</tr>
<tr>
<td>• If you have monitoring responsibility, analyze at appropriate intervals the progress toward reaching Client goals and review with the Client the results of your analysis.</td>
<td></td>
</tr>
<tr>
<td>• Obtain current qualitative and quantitative information.</td>
<td></td>
</tr>
<tr>
<td>• If you have monitoring responsibility, collaborate with the Client in an attempt to obtain current qualitative and quantitative information concerning the Client’s personal and financial circumstances.</td>
<td></td>
</tr>
<tr>
<td>• Update goals, recommendations, or implementation decisions.</td>
<td></td>
</tr>
<tr>
<td>• If you have updating responsibility, and circumstances warrant changes, update as appropriate in accordance with the Practice Standards for the Financial Planning Process.</td>
<td></td>
</tr>
</tbody>
</table>
CFP Board designed this guide to help CFP® professionals evaluate whether they are providing information and services in accordance with CFP Board’s Code of Ethics and Standards of Conduct (“Code and Standards”) when they are providing Financial Advice. Under certain circumstances, a CFP® professional is required to update the information provided to a Client.

**SECTION A: THE FIDUCIARY DUTY**

At all times when providing Financial Advice to a Client, a CFP® professional must act as a fiduciary and, therefore, act in the best interests of the Client. (Standard A.1.)

**Duty of Loyalty:**
- Have I placed the interests of the Client above the interests of me and my firm?
- Have I avoided Conflicts of Interest, or fully disclosed Material Conflicts of Interest to the Client, obtained the Client’s informed consent, and properly managed the conflict?
- Have I acted without regard to the interests of me and my firm, and any individual or entity other than the Client?

**Duty of Care:**
- Have I acted with the care, skill, prudence, and diligence that a prudent professional would exercise in light of the Client’s goals, risk tolerance, objectives, and financial and personal circumstances?
- Have I complied with all objectives, policies, restrictions, and other terms of the Engagement, and all reasonable and lawful directions of the Client?

**SECTION B: IS THIS A FINANCIAL PLANNING ENGAGEMENT?**

If the answer to any of the following is yes, then this is a Financial Planning Engagement and you must comply with the Practice Standards for the Financial Planning Process. If no, then the engagement for Financial Advice does not require Financial Planning, and you are not required to comply with the Practice Standards for the Financial Planning Process. (Standards B.3. and B.4.)

- Have I agreed to provide or provided Financial Planning?
- Does the client have a reasonable basis to believe that I will provide or have provided Financial Planning?
- Does the Financial Advice I agreed to provide require integration of relevant elements of the Client’s personal and/or financial circumstances in order to act in the Client’s best interests, taking into account the following Integration Factors?
  - The number of relevant elements of the client’s personal and financial circumstances that the Financial Advice may affect;
  - The portion and amount of the Client’s financial assets that the Financial Advice may affect;
  - The length of time the Client’s personal and financial circumstances may be affected by the Financial Advice;
  - The effect on the Client’s overall exposure to risk if the Client implements the Financial Advice; and
  - The barriers to modifying the actions taken to implement the Financial Advice.

If I otherwise must comply with the Practice Standards for the Financial Planning Process, but the Client does not agree to enter into a Financial Planning engagement, have I done one of the following:
- Not enter into the Engagement;
- Limited the Scope of Engagement to services that do not require application of the Practice Standards for the Financial Planning Process and described to the Client the services the Client requests that the CFP® professional will not be performing;
- Provided the requested services after informing the Client how Financial Planning would benefit the Client and how the decision not to enter into a Financial Planning engagement may limit the Financial Advice; or
- Terminated the Engagement.
SECTION C: PROVIDING INFORMATION TO A CLIENT

Have I provided the following information orally or in writing, in one or more written documents:

**Services, Products, Compensation, Disciplinary History, Bankruptcy, and Other Material Information**
(Standard A.10.a.i. – v.)

☐ Have I provided the Client a description of the services and products to be provided?

☐ Have I explained how the Client pays for the products and services and described the additional types of costs that the Client may incur, including product management fees, surrender charges, and sales loads?

☐ Have I informed the Client how I, my firm, and any Related Party are compensated for providing the products and services?

☐ Do I have any public disciplinary history or personal bankruptcy or business bankruptcy where I was a Control Person? If so, have I notified the Client of the existence of the public discipline or bankruptcy and provided the Client with the location(s), if any, of the webpages of all relevant public websites of any governmental authority, self-regulatory organization, or professional organization that sets forth my public disciplinary history or personal or business bankruptcy?

**Conflicts of Interest**
(Standards A.5.a., A.10.a.v., and A.13.a.)

☐ Have I provided full disclosure of all Material Conflicts of Interest with the Client that could affect the professional relationship? Have I provided sufficiently specific facts so that the Client is able to understand the Material Conflicts of Interest and the business practices that give rise to the conflicts?

☐ Have I obtained the Client’s informed consent, either express or implied, to such Conflicts of Interest?

☐ Have I properly managed any Conflict of Interest by providing Financial Advice that is in the best interests of the Client and places the Client’s interests above my own, notwithstanding the conflict, by adopting and following business practices reasonably designed to prevent Material Conflicts of Interest from compromising my ability to act in my Client’s best interests?

☐ Have I disclosed any arrangement by which someone who is not the Client will compensate or provide some other material economic benefit to me, my firm, or a Related Party for engaging or recommending the selection or retention of additional persons to provide financial or Professional Services to the Client?

**Confidentiality and Privacy**
(Standard A.9.d.)

☐ Have I or has my firm adopted and implemented policies regarding the protection, handling, and sharing of the Client’s non-public personal information?

☐ Have I or has my firm provided the Client with written notice of the policies regarding the protection, handling, and sharing of the Client’s non-public personal information? (This must be provided in writing.)

**Other Requirements**
(Standards A.10.a. and A.10.a.viii.)

☐ Have I provided the Client all other information Material to the decision to engage or continue to engage me or my firm?

☐ Have I documented that I have provided the Client with all of the information set forth above?
APPENDIX (5)

FINANCIAL PLANNING ENGAGEMENTS

COMPLIANCE GUIDE
CFP Board designed this guide to help CFP® professionals evaluate whether they are providing information and services in accordance with CFP Board’s *Code of Ethics and Standards of Conduct* (“Code and Standards”) when they are providing Financial Planning. Under certain circumstances, a CFP® professional is required to update the information provided to a Client.

**SECTION A: THE FIDUCIARY DUTY**

At all times when providing Financial Planning to a Client, a CFP® professional must act as a fiduciary and, therefore, act in the best interests of the Client.

*(Standard A.1.)*

**Duty of Loyalty:**

☐ Have I placed the interests of the Client above the interests of me and my firm?

☐ Have I avoided Conflicts of Interest, or fully disclosed Material Conflicts of Interest to the Client, obtained the Client’s informed consent, and properly managed the conflict?

☐ Have I acted without regard to the interests of me and my firm, and any individual or entity other than the Client?

**Duty of Care:**

☐ Have I acted with the care, skill, prudence, and diligence that a prudent professional would exercise in light of the Client’s goals, risk tolerance, objectives, and financial and personal circumstances?

☐ Have I complied with all objectives, policies, restrictions, and other terms of the Engagement, and all reasonable and lawful directions of the Client?

**SECTION B: PROVIDING INFORMATION TO A CLIENT**

Have I provided the following information in one or more written documents:

**Services, Products, Compensation, Disciplinary History, Bankruptcy, and Other Material Information**

*(Standard A.10.a.i. – v.)*

☐ Have I provided the Client a description of the services and products to be provided?

☐ Have I explained how the Client pays for the products and services and described the additional types of costs that the Client may incur, including product management fees, surrender charges, and sales loads?

☐ Have I informed the Client how I, my firm, and any Related Party are compensated for providing the products and services?

☐ Do I have any public disciplinary history or personal bankruptcy or business bankruptcy where I was a Control Person? If so, have I notified the Client of the existence of the public discipline or bankruptcy and provided the Client with the location(s), if any, of the webpages of all relevant public websites of any governmental authority, self-regulatory organization, or professional organization that sets forth my public disciplinary history or personal or business bankruptcy?

**Conflicts of Interest**

*(Standards A.5.a., A.10.a.v., and A.13.a.)*

☐ Have I provided full disclosure of all Material Conflicts of Interest with the Client that could affect the professional relationship? Have I provided sufficiently specific facts so that the Client is able to understand the Material Conflicts of Interest and the business practices that give rise to the conflicts? (Please note that information about Material Conflicts of Interest is not required to be provided in writing.)

☐ Have I obtained the Client’s informed consent, either express or implied, to such Conflicts of Interest?

☐ Have I properly managed any Conflict of Interest by providing Financial Advice that is in the best interests of the Client and places the Client’s interests above my own, notwithstanding the conflict, by adopting and following business practices reasonably designed to prevent Material Conflicts of Interest?
from compromising my ability to act in my Client's best interests?

☐ Have I disclosed any arrangement by which someone who is not the Client will compensate or provide some other material economic benefit to me, my firm, or a Related Party for engaging or recommending the selection or retention of additional persons to provide financial or Professional Services to the Client?

Confidentiality and Privacy
(Standard A.9.d.)

☐ Have I or has my firm adopted and implemented policies regarding the protection, handling, and sharing of the client’s non-public personal information?

☐ Have I or has my firm provided the Client with written notice of the policies regarding the protection, handling, and sharing of the client’s non-public personal information?

Terms of the Engagement
(Standard A.10.b.ii.)

☐ Have I provided to the Client, in writing, the terms of the Engagement between me or my Firm and the Client, including the Scope of Engagement and any limitations, the period(s) during which the services will be provided, and the Client’s responsibilities?

☐ Have I determined with the Client whether I will be responsible for implementing, monitoring, and updating the Financial Planning recommendation(s)? (Note that a CFP® professional is responsible for implementing, monitoring, and updating the Financial Planning recommendation(s) unless specifically excluded from the Scope of Engagement.)

Other Requirements
(Standards A.10.a. and A.10.a.viii., and C.)

☐ Have I provided the Client all other information Material to the decision to engage or continue to engage me or my firm?

☐ Have I acted prudently in documenting information, as the facts and circumstances require, taking into account the significance of the information, the need to preserve the information in writing, the obligation to act in the Client's best interests, and my firm's policies and procedures?

☐ Have I documented that I have provided the Client with all of the information set forth above?

SECTION C: THE FINANCIAL PLANNING PROCESS

Step 1: Understanding the Client’s Personal and Financial Circumstances

☐ Have I described to the Client the qualitative and quantitative information concerning the Client's personal and financial circumstances needed to fulfill the Scope of Engagement and collaborated with the Client to obtain the information?

Examples of qualitative or subjective information include the Client's:

☐ Health
☐ Life expectancy
☐ Family circumstances
☐ Values
☐ Attitudes
☐ Expectations
☐ Earnings potential
☐ Risk tolerance
☐ Goals, needs, and priorities
☐ Current course of action

Examples of quantitative or objective information include the Client’s:

☐ Age
☐ Dependents
☐ Other professional advisors
☐ Income
☐ Expenses
☐ Cash flow
☐ Savings
Step 2: Identifying and Selecting Goals

☐ Have I discussed with the Client my assessment of the Client’s financial and personal circumstances?

☐ Have I helped the Client to identify goals and noted the effect that selecting a particular goal may have on other goals?

☐ Have I analyzed the qualitative and quantitative information to assess the Client’s personal circumstances?

☐ Have I addressed incomplete information, if any?

Step 3: Analyzing the Client’s Current Course of Action and Potential Alternative Course(s) of Action

☐ Have I analyzed the Client’s current course of action, including the Material advantages and disadvantages of the current course and whether the current course maximizes the potential for meeting goals?

☐ Have I analyzed potential alternative courses of action, including the material advantages and disadvantages of each alternative, whether each alternative helps maximize the potential for meeting the Client’s goals, and how each alternative integrates the relevant elements of the Client’s personal and financial circumstances?

☐ Have I helped the Client to select and prioritize goals?

☐ Have I discussed with the Client any goals that may not be realistic?

Step 4: Developing the Financial Planning Recommendation(s)

☐ Have I selected recommendations designed to maximize the potential for meeting the Client’s goals?

☐ Have I considered whether to recommend that the Client continue the current course of action?

☐ For each recommendation, have I considered:

   ☐ The assumptions and estimates used to develop the recommendation(s);

   ☐ The basis for making the recommendation(s), including:

      ☐ How the recommendation is designed to maximize the potential to meet the Client’s goals;

      ☐ The anticipated material effects of the recommendation on the Client’s financial and personal circumstances; and

      ☐ How the recommendation integrates relevant elements of the Client’s personal and financial circumstances;

   ☐ The timing and priority of the recommendation(s); and

   ☐ Whether the recommendation is independent or must be implemented with another recommendation?
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Step 5: Presenting the Financial Planning Recommendation(s)

- Have I presented to the Client the selected recommendation(s) and the information I considered when developing the recommendation(s)?

Step 6: Implementing the Financial Planning Recommendation(s) (Unless Specifically Excluded from Scope of Engagement)

- Have I established with the Client whether I have implementation responsibilities and, if required, communicated to the Client the recommendation(s) being implemented and my responsibilities, the Client’s responsibilities, and the responsibilities of any third party with respect to implementation?

- Have I determined whether I need to amend the terms of the Engagement with the Client to reflect accurately the implementation responsibilities?

- If I do not have implementation responsibilities, proceed to Step 7.

- If I have implementation responsibilities, have I:
  - Identified and analyzed actions, products, and services designed to implement the recommendations?
  - Considered the basis for each selection, including:
    - How the action, product, or service is designed to implement the recommendation; and
    - The advantages and disadvantages of the action, product, or service relative to reasonably available alternatives?
  - Recommended one or more actions, products, and services for implementation and discussed with the Client the basis for selection, the timing and priority of implementation, and disclosed and managed any Conflicts of Interest concerning the action, product, or service?
  - Helped the Client to select and implement actions, products, or services and discussed with the Client any selection that deviates from my recommendations?

Step 7: Monitoring Progress and Updating (Unless Specifically Excluded from Scope of Engagement)

- Have I established with the client who has monitoring and updating responsibilities?

- Have I determined whether I need to amend the terms of the Engagement with the Client to reflect accurately the monitoring and updating responsibilities?

- When I have responsibilities for monitoring and updating, have I communicated to the Client:
  - Which actions, products, and services are and are not subject to my monitoring responsibility;
  - How and when I will monitor the actions, products, and services;
  - That it is the Client’s responsibility to inform me of any Material changes to the Client’s qualitative and quantitative information;
  - My responsibility to update the Financial Planning recommendations; and
  - How and when I will update the Financial Planning recommendations?

- If I have monitoring responsibilities, have I monitored the Client’s progress toward achieving the Client’s goals and reviewed my analysis with the Client?

- If I have monitoring responsibilities, have I collaborated with the Client to obtain current qualitative and quantitative information concerning the Client’s personal and financial circumstances?

- If I have updating responsibilities, have I determined whether the circumstances warrant changes to the Client’s goals, recommendations, or selections of actions, products, and services, and updated those in accordance with the Code and Standards?
CFP Board is committed to providing resources that will help CFP® professionals understand and comply with the new *Code and Standards*. Existing resources are available on CFP Board’s website ([CFP.net/Code](http://CFP.net/Code)).

As a CFP® professional, you play an important role in this process. CFP Board has assembled a team of professionals — the Standards Resource Commission — that will be developing additional guidance materials to educate and inform CFP® professionals about the *Code and Standards*. If there are resources that you believe would be valuable to you, your firm, or your clients, please email your suggestions to [SRC@CFPBoard.org](mailto:SRC@CFPBoard.org). The Standards Resource Commission will carefully consider your feedback as it develops future guidance materials. Additional resources will be posted to CFP Board’s website at the link above as they become available.

CFP Board developed the new *Code and Standards* to be an enforceable set of requirements that CFP Board can apply to those who hold CFP® certification. It is not designed to be a basis for civil liability. Clients of a CFP® professional and other third parties are not intended to be third-party beneficiaries of a CFP® professional’s agreement with CFP Board to adhere to the *Code and Standards*. 
The work of CFP Board benefits greatly from the contributions of CFP® professionals and other stakeholders. There are many opportunities to become involved in meaningful and rewarding ways.

Each year, CFP® professionals and other leaders make multi-year commitments to serve on CFP Board’s Board of Directors, Council on Education, Council on Examinations, Disciplinary and Ethics Commission, and other groups.

Shorter-term, but no less meaningful, positions are also available, including:

**Hearing Panel Volunteers:** CFP Board’s Disciplinary and Ethics Commission (“DEC”) convenes disciplinary hearings several times each year as part of its responsibility for reviewing and taking appropriate action with respect to alleged violations of the Code and Standards. Hearing Panel volunteers assist the DEC by participating on the Hearing Panels that review individual disciplinary cases. Service as a Hearing Panel Volunteer is a prerequisite to service as a member of the DEC, and volunteers also earn CE credits for their participation.

**Exam Development Volunteers:** CFP Board convenes Item Writing Workshops with volunteers who participate as subject matter experts to help create multiple-choice questions to be submitted for use on future CFP® Certification Examinations. These workshops are generally conducted as two-day, in-person meetings during which volunteers receive training and then brainstorm and create items in small groups. Exam Development volunteers play an important role in the evolution of CFP® certification and also earn CE credits for their participation.

If you register to volunteer for one or more of these activities, you will be added to a database of interested volunteers and may be selected to participate as opportunities arise. If you have questions or comments, please email volunteer@cfpboard.org.