



Why you should choose a Certified Financial Planner^{CM} Professional

The benchmark for financial planning professionals worldwide

Choosing a financial planner may be one of the most important decisions you make for yourself and your loved ones. Financial planners can provide you and your family with guidance over your lifetime, or work with you to address specific concerns as needed. A planner can play a central role in helping you meet your life goals and achieve financial well-being. Consequently, take the time to select a financial planner who is competent and trustworthy, one on whom you can depend for professional advice and services. Your future depends on the choices you make. The information in this brochure is intended to help you choose wisely.



CFP®, Certified Financial Planner^{CM} and the CFP flame logo are licence marks licensed to the Institute of Financial Planning which can help you identify financial planners who are committed to competent and ethical behaviour when providing financial planning advice. Individuals certified by the IFP have taken the extra step to demonstrate their professionalism by voluntarily submitting to the rigorous CFP® licence process that includes demanding education, examination, experience and ethical requirements. These standards are called “the four Es,” and they are four important reasons why the financial planning practitioner you select should display the CFP licence marks as shown on the cover of this brochure.

Why are the CFP^{CM} Licence Requirements Important?

Most people think that all financial planners are “certified,” but this isn’t true. Anyone can call himself or herself a “financial planner.” Only those who have fulfilled the licence and renewal requirements of the Institute of Financial Planning can display the CFP licence marks. When selecting a financial planner, you need to feel confident that the person you choose to help you plan for your future is competent and ethical. The CFP licence provides that sense of security by allowing only those who meet the following requirements the right to use the CFP licence marks.

CFP^{CM} Licence Requirements

Education: CFP professionals must develop their theoretical and practical financial planning knowledge by maintaining their competence on an ongoing basis.

Examination: CFP practitioners must pass a comprehensive case study set by the Institute of Financial Planning that tests their ability to apply financial planning knowledge in an integrated format. Typically, this takes around 60 hours to

complete. Based on regular research of what planners do, the case study covers the financial planning process, tax planning, employee benefits and retirement planning, estate planning, investment management and insurance. This is in addition to them having already reached a high level of technical competence by the way of examination.

Experience: CFP professionals must be AFPC qualified or equivalent and have three years minimum experience in financial planning prior to earning the right to use the CFP Licence marks. As a result, CFP practitioners possess financial counselling skills in addition to financial planning knowledge.

Ethics: As a final step to licence, CFP practitioners agree to abide by a strict code of professional conduct, known as IFP’s Code of Ethics and Professional Standards, that sets out their ethical responsibilities to the public, clients and employers. Each candidate for the CFP Licence must disclose any investigations or legal proceedings related to their professional or business conduct.

How does IFP’s Code of Ethics Benefit me?

Through the Code of Ethics, CFP practitioners agree to act fairly and diligently when providing you with financial planning advice and services, putting your interests first. The Code of Ethics states that CFP practitioners are to act with integrity, offering you professional services that are objective and based on your needs. They are required to provide you with information about their sources of compensation and conflicts of interest in writing, and CFP practitioners must keep confidential any personal details obtained while working with you.

Ongoing Licence requirements

Once certified, CFP practitioners are required to maintain technical competence and fulfil ethical obligations. Every year, they must complete a minimum 30 hours of continuing education to

stay current with developments in the financial planning profession and better serve their clients. In addition to the continuing education requirement, all CFP practitioners voluntarily disclose any public, civil, criminal or disciplinary actions that may have been taken against them during the previous year as part of the renewal process.

What to expect when working with a CFP® Licensee

When you work with a CFP Licensee, you are the focus of the financial planning relationship and your needs drive the financial planner's recommendations. CFP practitioners follow certain standards – when providing financial planning. These standards are based on the six-step financial planning process described below. This broad-based approach to financial advice distinguishes financial planning practitioners from other professional advisers who typically focus on only one area of a person's financial life.

The Financial Planning Process

- Establishing and defining the client-planner relationship
- Gathering client data including goals
- Analysing and evaluating the client's financial status
- Developing and presenting financial planning recommendations and/or alternatives
- Implementing the financial planning recommendations
- Monitoring the financial planning recommendations

When providing financial planning advice, a CFP Licensee will define the scope of the work he or she will do with you, explain and document the services she or he will provide, discuss the method of compensation and relay any other relevant information. CFP Licensees will work with you to determine your personal and financial goals, your tolerance for financial risk, and your time frame for achieving results. CFP Licensees are also required to gather all

necessary financial information about you when developing your personal financial plan.

How much will it cost?

CFP Licensees can work in several settings including small financial planning practices, large financial services firms, law firms and accountancy practices, banks and other financial institutions. Planners are compensated for the services they provide in different ways, as well. Some are paid through commissions, and others through fees or a combination of both. While all CFP Licensees are trained to provide you with comprehensive financial planning services, some specialise in one or more areas, or work with specific types of clients. Be sure to ask the planner how he or she is paid and interview several candidates to choose the one with whom you feel most comfortable and who best meets your needs.

What else should I remember when selecting a planner?

As more people call themselves “financial planners,” finding the right professional to address your financial planning needs isn't always easy. It is important to take your time when choosing a financial planner, and before making a decision, become familiar with the planner's business style and understand the level of services he or she provides. Look for a measure of the planner's commitment to ethical behavior and adherence to high professional standards. Look for a financial planner who will put you and your needs at the centre of every financial planning engagement. Most importantly, look for the CFP® or CERTIFIED FINANCIAL PLANNER^{CM} marks.

Check to see if your planner is a CFP® Licensee

To verify that your planner is licensed by the Institute of Financial Planning, visit their website at www.financialplanning.org.uk