



CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

August 17, 2012

Request for Comment: Proposed Revisions to CFP Board's Continuing Education Requirement

Certified Financial Planner Board of Standards, Inc. (CFP Board) requests comments on proposed revisions to the Continuing Education requirement for CFP® certification. The proposed revisions result from a comprehensive review of the current requirement and are summarized below.

The periodic review of certification requirements is consistent with best practices for professional certification organizations, including CFP Board's accrediting organizations, the National Commission on Certifying Agencies (NCCA) and the Institute for Credentialing Excellence (ICE).

Comments received during the 45-day public comment period, which ends September 30, 2012, will be posted to CFP Board's website and reviewed and considered by CFP Board. Any final proposed amendments are expected to be presented to the Board of Directors for action in November 2012.

Overview of Proposed Changes

CFP Board's Continuing Education (CE) requirement assures that CFP® professionals maintain and enhance competency in financial planning principles and practices. Consistent with NCCA accreditation standards, CE is a recertification vehicle. CFP Board's current CE requirement (available for review at www.CFP.net/certificants/ce.asp) remains largely unchanged from its introduction in the 1990's.

During the past six months, CFP Board's Council on Education (Council) has been engaged in a focused and comprehensive review of the current CE requirement. The Council's membership includes CFP® professionals, with representation from practice, representatives of CFP Board-Registered Programs and the academic community, and representatives from other professional certification organizations. The Council's expertise was augmented with advice provided by CE subject matter experts from established professions (architecture and law). After reviewing and discussing substantive research of other certifications, designations and licensing CE requirements, the Council developed several recommendations for revising CFP Board's CE requirement.

The proposed changes under consideration are:

- **Increasing total CE hours required each renewal period (every 2 years) from 30 to 40 hours.**

Rationale: Personal financial planning knowledge and practices are fast-changing, which requires ongoing learning to maintain competency. The proposed increase in

required hours remains consistent with or below similar requirements for established professions and comparable designations. The proposed increase in required hours is consistent with recommendations from CFP Board's 2007 and 2008 Education Task Forces.

- **Granting CE credit for practice management programs and/or pro bono activities, up to 4 hours (total combined) per renewal period.**
 - **Practice management CE programs.** Defined as programs focused on the planning, development and management of a CFP® professional's business operations, office management, business model design, budgeting processes, and leadership.
 - **Pro Bono (volunteer personal delivery of financial planning) services.** These activities must be supervised by a registered CE Sponsor organization and will be accepted for 1 hour CE credit per 4 hours pro bono service.

Rationale: *Recognize the importance practice management plays in the delivery of competent and ethical professional financial planning services to clients. Encourage pro bono service for the public benefit.*

- **Increasing the Ethics CE requirement from 2 hours to 4 hours, which shall include a mandatory CFP Board-produced Ethics program (2 hours) plus 2 hours of ethics programming, which is expanded to include both pre-approved programs on CFP Board's *Standards of Professional Conduct* and general ethics-related content.**

Rationale: *Results from CFP Board's 2009 Job Analysis Study, which is the basis for CFP Board's CFP® Examination and Education curriculum, reflect an increased emphasis on ethics knowledge.*

- **Expanding the professional activities that qualify for CE credit (currently accepted professional activities are teaching and authorship) with the following:**
 - **Participation in Registered Program Financial Planning Development ("capstone") course grading panels.** These activities must be verified with documentation of active participation, written assessments and qualitative feedback;
 - **Study Group Activities that meet certain guidelines;**
 - **Research.** Research may address future trends in financial planning beyond CFP Board's current lists of Job Task Domains and Principal Topics.

Rationale: *Encourage body of knowledge expansion and no cost CE opportunities.*

- **Implementing a "50% cap rule," which will limit CE credit for any single topic area or professional activity to 50% of total required CE hours.** For example, if 40 hours required, then "cap" would be 20 hours. Topic areas are: General Principles, Insurance, Investments, Income Tax, Retirement and Estate Planning, Interpersonal Communication, Professional Conduct and Fiduciary Responsibility. Conferences, which are comprised of individual educational sessions, will not be subject to the "50% cap rule."

Rationale: *Ensure diversity of learning experiences across breadth of planning topics.*

- **Eliminating CE credit for completing professional licenses and designation examinations.**

Rationale: Inconsistent with professional certification program best practices. Program content or coursework may be eligible if consistent with CE topic and other requirements. Exam prep or review courses remain ineligible.

- **Reviewing online courses for academic credit (with grading) delivered by regionally accredited colleges or universities as “live” CE programs, rather than “self study.”**

Rationale: Recognize the quality control measures that regionally accredited institutions are required to incorporate in the development and delivery of self-study courses offered for academic credit.

- **Encouraging increased rigor and quality of all CE program delivery methods.**

Rationale: Help ensure that CE programs available to CFP® professionals contribute to their professional competency.

Comment Submission Guidelines

Any individual or group wishing to comment on the proposed revisions should submit written comments no later than September 30, 2012. Comments may be sent to CFP Board by email to CEComments@cfpboard.org or by regular mail to:

CFP Board
c/o Michele M. Warholic, Esq., CAE
Managing Director, Education, Examinations and Talent
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Comments received will be reviewed and considered by CFP Board and, at the end of the comment period, will be posted to CFP Board’s website in their entirety. If you wish your comment to remain confidential, please omit any personally-identifying information from your comment or include in your comment a clearly-stated request that it not be published on the website.