



# CFP<sup>CM</sup> CERTIFICANT MANUAL



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## GUIDE TO USE OF THE CFP<sup>CM</sup> MARKS

### Introduction

The “Guide to Use of the CFP<sup>CM</sup> Marks” has been developed to assist you in featuring the CFP<sup>CM</sup> marks in printed and online communications including business card, letterhead, advertising, personal promotional literature and web site.

The proper usage of these CFP<sup>CM</sup> marks is a crucial part of your communications to current and prospective financial planning clients. When properly used, they represent standards of excellence for personal financial planning and demonstrate your commitment to upholding these standards.

There is another reason why proper usage of these marks is important: it is the law. Unlike government certifications or educational credentials, the CFP<sup>CM</sup> marks are common law certification marks and, as such, must be used in compliance with certification mark law. If the marks are used improperly, they can eventually lose their certification mark status. If this were to happen to the CFP<sup>CM</sup> marks, you would lose the value and differentiation of the certification that you so diligently earned. So please apply the rules and guidelines in this guide when developing collateral pieces that feature the CFP<sup>CM</sup> marks.

IFPHK mandates proper use of the CFP<sup>CM</sup> marks in its Code of Ethics and Professional Responsibility and carefully monitors all usage of the marks in order to ensure their integrity. We view unauthorized use of the marks as an extremely serious matter and are prepared to take whatever steps necessary to protect them.

### Rules for Use of the CFP<sup>CM</sup> Marks

1. The marks CFP<sup>CM</sup>, CERTIFIED FINANCIAL PLANNER<sup>CM</sup> and  should be used only as described in this guide.
2. CFP<sup>CM</sup> certificants acknowledge that FPSB Ltd. is the sole, absolute and exclusive owner of all rights, title and interest in, and to, the CFP<sup>CM</sup> marks outside the United States.
3. CFP<sup>CM</sup> certificants acknowledge that IFPHK is the sole, absolute and exclusive authority for the CFP<sup>CM</sup> marks in Hong Kong and Macau through agreement with FPSB Ltd.
4. CFP<sup>CM</sup> certificants will not challenge FPSB Ltd. as the sole, absolute and exclusive owner of all right, title and interest in, and to, the CFP<sup>CM</sup> marks outside the United States, and the goodwill associate with these marks.
5. CFP<sup>CM</sup> certificants will not challenge the validity of the CFP<sup>CM</sup> marks.
6. CFP<sup>CM</sup> certificants will not adopt, use or promote any mark that is confusingly similar to

any of the CFP<sup>CM</sup> marks, as determined by FPSB Ltd.

7. CFP<sup>CM</sup> certificants will not take, encourage or promote any action that would/does impair the rights of FPSB Ltd. in and to the CFP<sup>CM</sup> marks or the goodwill associated with them, or use the CFP<sup>CM</sup> marks in a way that would make it difficult for FPSB Ltd. to assert its ownership.
8. CFP<sup>CM</sup> certificants are subject to the conditions relating to use of the CFP<sup>CM</sup> marks as set forth in IFPHK's CFP<sup>CM</sup> Certification Renewal Application Form, if not included in this guide.
9. The CFP<sup>CM</sup> marks must be used in a way that makes it clear that FPSB Ltd. owns them. The CFP<sup>CM</sup> marks may not be used to imply FPSB Ltd's endorsement of an individual or company (even when one or more employees are certified by IFPHK to use the CFP<sup>CM</sup> marks).
10. The form of the CFP<sup>CM</sup> marks may not be altered by modifying in text form, animating, making three-dimensional, or using them on a patterned background, as a watermark, or as part of the background itself.

### **General Requirements for Using the CFP<sup>CM</sup> Marks**

CFP<sup>CM</sup> certificants should follow the requirements when using the CFP<sup>CM</sup>, CERTIFIED FINANCIAL PLANNER<sup>CM</sup> and  marks in communication and collateral material. You will greatly assist FPSB Ltd. and IFPHK in protecting the CFP<sup>CM</sup> marks if you follow three general rules that apply to the certification marks.

#### **1. Always Use the CFP<sup>CM</sup> Marks as Adjectives**

The CFP<sup>CM</sup> marks must never be used as nouns, they must always be used as an adjective modifying a noun.

##### *Correct Use:*

- Peter Chan is a CFP<sup>CM</sup> certificant.
- Peter Chan practices financial planning as a CFP<sup>CM</sup> certificant.

##### *Misuse:*

- Peter Chan is a CFP<sup>CM</sup>.
- Peter Chan practices financial planning as a CFP<sup>CM</sup>.

#### **2. Only Modify Certain Nouns with the CFP<sup>CM</sup> Marks**

Since the CFP<sup>CM</sup> marks identify individuals who have met the CFP<sup>CM</sup> certification standards, they should modify nouns that refer to individuals, the certification program or the marks

themselves. There are five approved nouns that can follow the CFP<sup>CM</sup> marks – “certificant”, “certification”, “mark”, “practitioner” and “professional”.

*Correct Use:*

- Peter Chan is a CFP<sup>CM</sup> certificant.
- Peter Chan has obtained the CFP<sup>CM</sup> certification

*Misuse:*

- Peter Chan is a CFP<sup>CM</sup>.
- Peter Chan has obtained his CFP<sup>CM</sup>.

**3. Use Appropriate Identifiers with the CFP<sup>CM</sup> Marks**

The CFP<sup>CM</sup> marks must appear with a <sup>CM</sup> superscript symbol in its **first use** in printed materials.

**Proper Usage of the CFP<sup>CM</sup> Mark**

- Always use capital letters.
  - Never use periods (unless at the end of a sentence, e.g., “I received advice from Peter Chan, CFP<sup>CM</sup>.”).
  - Always use the <sup>CM</sup> superscript symbol.
  - Always use with the approved nouns: “certificant”, “certification”, “mark”, “practitioner” and “professional”.
1. The CFP<sup>CM</sup> mark must appear in all capital letters and without periods between the letters.

*Correct Use:*

- Peter Chan, CFP<sup>CM</sup>

*Misuse:*

- Peter Chan, cfp<sup>CM</sup>
- Peter Chan, C.F.P.<sup>CM</sup>

2. The CFP<sup>CM</sup> mark must appear with the <sup>CM</sup> superscript symbol in its **first use** in printed materials.

*Correct Use:*

- Peter Chan is a CFP<sup>CM</sup> certificant specializing in estate planning. There are two other CFP certificants working in her office.

*Misuse:*

- Peter Chan is a CFP<sup>CM</sup> certificant specializing in estate planning. There are two other CFP<sup>CM</sup> certificants working in her office.

3. The CFP<sup>CM</sup> mark must not be used as a parenthetical abbreviation for CERTIFIED FINANCIAL PLANNER<sup>CM</sup>.

*Correct Use:*

- Peter Chan is a CFP<sup>CM</sup> certificant.

*Misuse:*

- Peter Chan is a CERTIFIED FINANCIAL PLANNER<sup>CM</sup> (CFP<sup>CM</sup>) certificant.

4. The CFP<sup>CM</sup> mark must be used as a descriptive adjective, not as a noun or a verb, except when used within a signature block, on letterhead or on a business card.

Certification marks require that a mark be used as a descriptive adjective, not as a noun or verb, to prevent the mark from becoming generic. An exception applies when the CFP<sup>CM</sup> mark is used following an individual's name, e.g., Peter Chan, CFP<sup>CM</sup>.

*Correct Use:*

- Peter Chan is a CFP<sup>CM</sup> certificant.
- Peter Chan practices financial planning as a CFP<sup>CM</sup> certificant.

*Correct Use Exceptions:*

- Peter Chan, CFP<sup>CM</sup>

*Misuse:*

- Peter Chan is a CFP<sup>CM</sup>.
- Peter Chan practices financial planning as a CFP<sup>CM</sup>.

5. The CFP<sup>CM</sup> mark may not be used as a plural or possessive word.

*Correct Use:*

- Peter Chan and Paul Chan are CFP<sup>CM</sup> certificants.
- The CFP<sup>CM</sup> certificants' seminar was sold out.

*Misuse:*

- Peter Chan and Paul Chan are CFPs<sup>CM</sup>.
- The CFP<sup>CM</sup> s' seminar was sold out.

6. The CFP<sup>CM</sup> mark should be used exclusively with the approved nouns: "certificant", "certification", "mark", "practitioner" and "professional".

*Correct Use:*

- Peter Chan is a CFP<sup>CM</sup> certificant.
- Peter Chan has obtained the CFP<sup>CM</sup> certification.

*Misuse:*

- Peter Chan is a CFP<sup>CM</sup>.
- Peter Chan has obtained his CFP<sup>CM</sup>.

**Proper Usage of the CERTIFIED FINANCIAL PLANNER<sup>CM</sup> Mark**

- Always use capital letters to distinguish the mark from surrounding text.
- Always use the <sup>CM</sup> superscript symbol.
- Always use with the approved nouns: "certificant", "certification", "mark", "practitioner" and "professional".

1. The CERTIFIED FINANCIAL PLANNER<sup>CM</sup> mark must appear in all capital letters.

*Correct Use:*

- Peter Chan is a CERTIFIED FINANCIAL PLANNER<sup>CM</sup> certificant.

*Misuse:*

- Peter Chan is a Certified Financial Planner<sup>CM</sup> certificant.

2. The CERTIFIED FINANCIAL PLANNER<sup>CM</sup> mark must appear with the <sup>CM</sup> superscript symbol in its **first use** in printed materials.

*Correct Use:*

- Her clients like working with a CERTIFIED FINANCIAL PLANNER<sup>CM</sup> certificant.
- Peter Chan obtained his CERTIFIED FINANCIAL PLANNER<sup>CM</sup> certification in 1995.

*Misuse:*

- Her clients like working with a CERTIFIED FINANCIAL PLANNER certificant.

3. The CERTIFIED FINANCIAL PLANNER<sup>CM</sup> mark must not be used as a parenthetical abbreviation for CFP<sup>CM</sup>.

*Correct Use:*

- Peter Chan is a CFP<sup>CM</sup> or CERTIFIED FINANCIAL PLANNER<sup>CM</sup> certificant.

*Misuse:*

- Peter Chan is a CFP<sup>CM</sup> (CERTIFIED FINANCIAL PLANNER<sup>CM</sup>) certificant.

4. The CERTIFIED FINANCIAL PLANNER<sup>CM</sup> mark must always be used as a descriptive adjective, not as a noun or a verb.

*Correct Use:*

- Peter Chan is a CERTIFIED FINANCIAL PLANNER<sup>CM</sup> certificant.
- Peter Chan practices financial planning as a CERTIFIED FINANCIAL PLANNER<sup>CM</sup> certificant.

*Misuse:*

- Peter Chan is a CERTIFIED FINANCIAL PLANNER<sup>CM</sup>.
- Peter Chan practices as a certified financial planner<sup>cm</sup>.

5. The CERTIFIED FINANCIAL PLANNER<sup>CM</sup> mark cannot be used as a plural or possessive word.

*Correct Use:*

- Peter Chan and Paul Chan are CERTIFIED FINANCIAL PLANNER<sup>CM</sup> certificants.
- The CERTIFIED FINANCIAL PLANNER<sup>CM</sup> certificants' seminar was sold out.

*Misuse:*

- Peter Chan and Paul Chan are CERTIFIED FINANCIAL PLANNERS<sup>CM</sup>.
  - The CERTIFIED FINANCIAL PLANNER<sup>CM</sup>s seminar was sold out.
6. The CERTIFIED FINANCIAL PLANNER<sup>CM</sup> mark should be used exclusively with the approved nouns: “certificant”, “certification”, “mark”, “practitioner” and “professional”.

*Correct Use:*

- Peter Chan is a CERTIFIED FINANCIAL PLANNER<sup>CM</sup> certificant.
- Peter Chan has obtained the CERTIFIED FINANCIAL PLANNER<sup>CM</sup> certification.

*Misuse:*

- Peter Chan is a CERTIFIED FINANCIAL PLANNER<sup>CM</sup> advisor.
- Peter Chan has completed his CERTIFIED FINANCIAL PLANNER<sup>CM</sup> course.

**Proper Usage of the  Mark**

- Always use the three components of the logo – flame, “CFP” and the <sup>CM</sup> superscript symbol.
  - Always reproduce the logo mark from original artwork. You may request for the original artwork file by contacting us at [info@ifphk.org](mailto:info@ifphk.org).
  - Never alter or modify the logo mark.
1. The CFP<sup>CM</sup> Logo mark is comprised of three components: the flame element, the letters “CFP” and the <sup>CM</sup> superscript symbol. These three components must be used together as one unit at all times to protect the visual integrity of the mark.

*Correct Use:*



*Misuse:*

- Any deviation from the three components above is a misuse and is an unacceptable use.



Do not use without the <sup>CM</sup>.

Do not use without the flame.

Do not use the flame alone.

Do not separate the graphic elements.

- All reproduction of the  mark must be made from original reproduction artwork as provided by IFPHK.

*Correct Use:*



*Misuse:*

- Any reproduction without using the original artwork is a misuse and is an unacceptable use.



Do not add other elements.

Do not re-proportion the elements.

Do not reproduce the mark in unapproved colors.

Do not reproduce the mark on complex backgrounds.

- Under no circumstances may the  mark be altered, modified or hand drawn, nor may it be typeset, reproduced or electronically scanned in such poor quality as to distort or significantly alter its appearance.

*Correct Use:*



*Misuse:*

- Any alternation or modification in poor quality is a misuse and is an unacceptable use.



Do not use poor quality reproduction art.



Do not try to recreate the mark.



Do not skew the mark.



Do not use the mark in outline form.

4. The  mark must be clearly associated with the individual certified by IFPHK.

*Correct Use:*



Peter Chan, CFP<sup>CM</sup>, CPA  
P. Chan, CFP<sup>CM</sup>  
Peter P. Chan, CFP<sup>CM</sup>, CPA

*Misuse:*



Chan Financial Services Company



### Rules for Reproducing the Mark

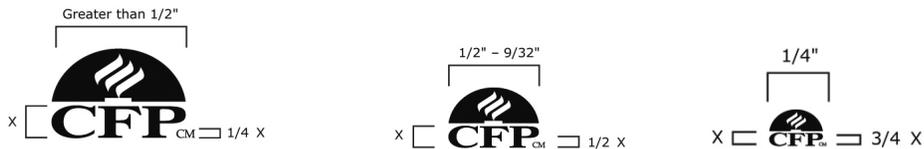
To control the quality of the appearance of the  mark, IFPHK requires all reproductions to be made from original artwork, be readable, legible and on approved backgrounds, and have consistent use of color. The information below will provide your print vendor the information necessary to create proper reproductions of the mark.

#### 1. Original Artwork

All reproductions of the  mark must be made from original artwork provided by IFPHK. To obtain positive and reverse reproduction images, contact us at [info@ifphk.org](mailto:info@ifphk.org).

#### 2. Readability

To maintain readability of the certification mark symbol, the following three graphic relationships between the mark and the certification mark symbol have been developed.



#### 3. Legibility

The impact and legibility of the printed  mark will be lessened by crowding it with other visual elements. A clear zone surrounding the mark has been established as an area into which no other graphic imagery or other visual elements may enter. As shown below, this space is determined by the cap height of “CFP,” the typographic element of the  mark. The one exception to this rule is when the mark is used within text.



To ensure optimum legibility of the  mark, a minimum reproduction size of 1/4” is recommended. If reduced to a smaller size, the overall legibility and visual impact of the mark may be compromised. If reproduction quality of the  mark cannot be guaranteed when reproduced at 1/4”, a larger size may be necessary.

4. Approved Backgrounds

The positive mark should be used on light colored backgrounds ranging from white to values no darker than 40% of black. The  CFP<sup>CM</sup> mark should be reversed if used on dark backgrounds from 50%–100% value of black.



5. Color Options

Consistent use of color in the  CFP<sup>CM</sup> mark is important to establish immediate recognition of individuals certified by IFPHK. The required two-color option for the mark uses PANTONE® 280 Blue for the flame element and black for the “CFP” and <sup>CM</sup> superscript symbol.



POSITIVE TWO-COLOR

Flame element prints in Pantone®280 blue, CFP<sup>CM</sup> prints in black.



POSITIVE ONE-COLOR

Entire mark prints in black.



POSITIVE ONE-COLOR

Entire mark prints in Pantone®280 blue.



POSITIVE ONE-COLOR

Entire mark prints in any color darker than 50% value of black.

The  CFP<sup>CM</sup> marks shown are examples of reverse applications against colored backgrounds.



REVERSE ONE-COLOR

Entire mark prints white on a black BACKGROUND.



REVERSE ONE-COLOR

Entire marks prints white on a Pantone®280 blue BACKGROUND.



REVERSE ONE-COLOR

Entire mark prints white on any color darker than 50% value of a black BACKGROUND.

### Proper Usage of the CFP<sup>CM</sup> Marks on Promotional Materials and In Text Documents

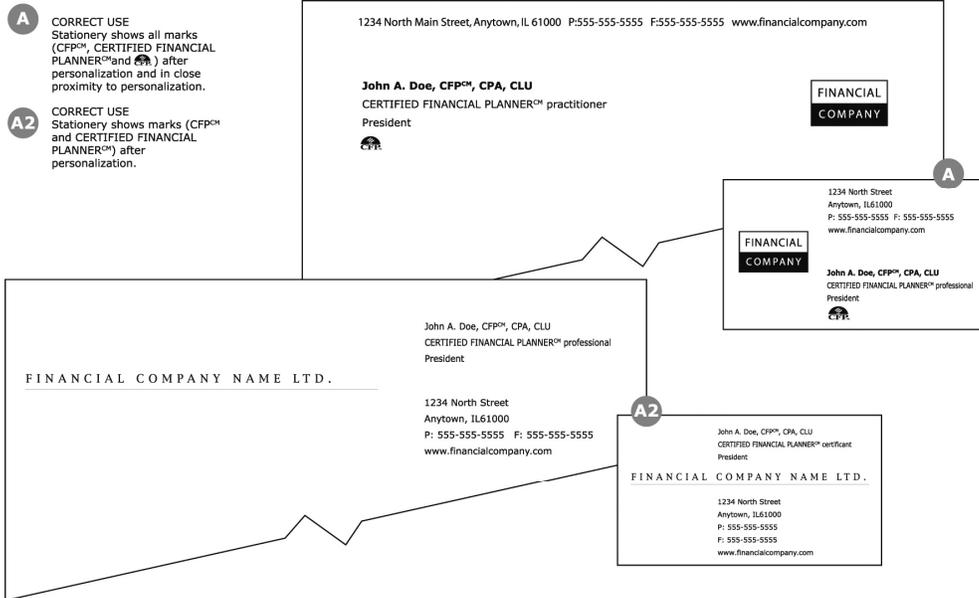
The marks CFP<sup>CM</sup>, CERTIFIED FINANCIAL PLANNER<sup>CM</sup> and  may be used on promotional materials provided the following requirements are met:

1. Use the CFP<sup>CM</sup> marks as described in this guide. Merchandise authorized by IFPHK is the only case where some exceptions to these rules may apply.
2. Link the CFP<sup>CM</sup> marks clearly to an individual or group of individuals certified by IFPHK; promotional materials may not contain the CFP<sup>CM</sup> marks alone. IFPHK's publications that pertain the CFP<sup>CM</sup> certification in general are one of the exceptions to this rule.
3. Note the date of the promotion.
4. Do not produce promotional items for re-sale.
5. Use the CFP<sup>CM</sup> marks only on promotional items that are in good taste and that do not degrade the marks.
6. Use only original artwork to reproduce the  mark. Share proper usage guidelines with any production specialists with whom you may work with. During the production process, CFP<sup>CM</sup> certificants are asked to protect original reproduction artwork provided by IFPHK from being used by unauthorized persons.
7. Only the **first use** of each mark needs the <sup>CM</sup> superscript symbol.
8. Identify FPSB Ltd. as the owner of the CFP<sup>CM</sup> marks.
9. Do not alter or modify the CFP<sup>CM</sup> marks.

Letterhead and Business Cards (not shown actual size)

**A** CORRECT USE  
Stationery shows all marks (CFP<sup>CM</sup>, CERTIFIED FINANCIAL PLANNER<sup>CM</sup> and ) after personalization and in close proximity to personalization.

**A2** CORRECT USE  
Stationery shows marks (CFP<sup>CM</sup> and CERTIFIED FINANCIAL PLANNER<sup>CM</sup>) after personalization.



1234 North Main Street, Anytown, IL 61000 P:555-555-5555 F:555-555-5555 www.financialcompany.com

**John A. Doe, CFP<sup>CM</sup>, CPA, CLU**  
CERTIFIED FINANCIAL PLANNER<sup>CM</sup> practitioner  
President

 FINANCIAL COMPANY

1234 North Street  
Anytown, IL61000  
P: 555-555-5555 F: 555-555-5555  
www.financialcompany.com

**John A. Doe, CFP<sup>CM</sup>, CPA, CLU**  
CERTIFIED FINANCIAL PLANNER<sup>CM</sup> professional  
President

 FINANCIAL COMPANY

FINANCIAL COMPANY NAME LTD.

John A. Doe, CFP<sup>CM</sup>, CPA, CLU  
CERTIFIED FINANCIAL PLANNER<sup>CM</sup> professional  
President

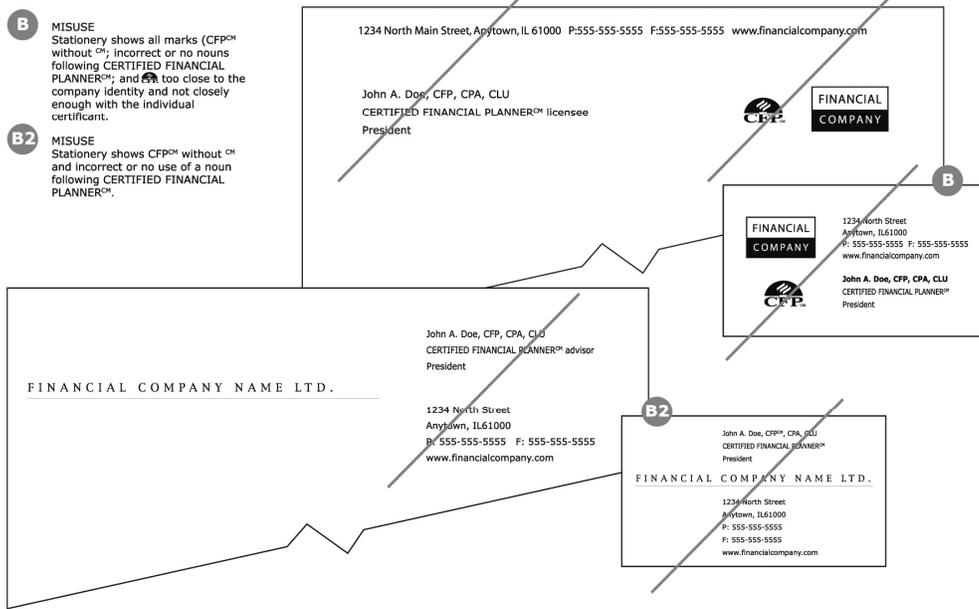
1234 North Street  
Anytown, IL61000  
P: 555-555-5555 F: 555-555-5555  
www.financialcompany.com

FINANCIAL COMPANY NAME LTD.

1234 North Street  
Anytown, IL61000  
P: 555-555-5555 F: 555-555-5555  
www.financialcompany.com

**B** MISUSE  
Stationery shows all marks (CFP<sup>CM</sup> without <sup>CM</sup>; incorrect or no nouns following CERTIFIED FINANCIAL PLANNER<sup>CM</sup>; and ) too close to the company identity and not closely enough with the individual certificant.

**B2** MISUSE  
Stationery shows CFP<sup>CM</sup> without <sup>CM</sup> and incorrect or no use of a noun following CERTIFIED FINANCIAL PLANNER<sup>CM</sup>.



1234 North Main Street, Anytown, IL 61000 P:555-555-5555 F:555-555-5555 www.financialcompany.com

John A. Doe, CFP, CPA, CLU  
CERTIFIED FINANCIAL PLANNER<sup>CM</sup> licensee  
President

 FINANCIAL COMPANY

1234 North Street  
Anytown, IL61000  
P: 555-555-5555 F: 555-555-5555  
www.financialcompany.com

John A. Doe, CFP, CPA, CLU  
CERTIFIED FINANCIAL PLANNER<sup>CM</sup>  
President

 FINANCIAL COMPANY

FINANCIAL COMPANY NAME LTD.

John A. Doe, CFP, CPA, CLU  
CERTIFIED FINANCIAL PLANNER<sup>CM</sup> advisor  
President

1234 North Street  
Anytown, IL61000  
P: 555-555-5555 F: 555-555-5555  
www.financialcompany.com

FINANCIAL COMPANY NAME LTD.

1234 North Street  
Anytown, IL61000  
P: 555-555-5555 F: 555-555-5555  
www.financialcompany.com

Resume (not shown actual size)

**A** CORRECT USE  
 Sample shows all marks (CFP<sup>CM</sup>,  
 CERTIFIED FINANCIAL PLANNER<sup>CM</sup>  
 and ) after personalization and in  
 close proximity to personalization;  
 marks use correct nouns.



JOHN A. DOE, CPA, CFP<sup>CM</sup>  
 CERTIFIED FINANCIAL PLANNER<sup>CM</sup> practitioner  
 1234 North Street  
 Anytown, IL61000  
 H: 555-555-5555; W: 555-555-5555

**EXPERIENCE**

FINANCIAL COMPANY NAME, INC.  
 Financial Advisor  
 January 2000 to present

Primary responsibilities include financial plan preparation and portfolio management. The comprehensive financial planning includes retirement analysis, estate planning, tax projections, insurance analysis as well as stock option analysis where applicable. Also participated on a committee that researched and created a white paper on the new 529 education savings plans.

FINANCIAL COMPANY NAME, INC.  
 Accountant III in Management Reporting  
 March 1996 to January 2000

Prepared monthly executive management report on the financial results of Financial Company Name. Provided monthly flash report to senior management.

FINANCIAL COMPANY NAME, INC.  
 Accountant in Allocation Development Unit of Cost & Budgeting  
 November 1994 to March 1996

Responsibilities included proper allocation of the Cost of the Federal Employee portion of the business. Allocation methods were developed through the use of manual timesheets and an automated Work Effort Collection system.

**ASSOCIATIONS**

- Financial Planning Association
- American Institute of Certified Public Accountants

**COMPUTER SKILLS**

- Microsoft Office
- Centerpiece
- Advent Axys

**EDUCATION**

Anytown College, Anytown, IL  
 Bachelor of Arts, May 1994  
 Major: Accounting  
 Minor: English  
 CPA: March 1995  
 CFP<sup>CM</sup> certification: August 1996

*References Provided Upon Request*

Financial Planning Standards Board Ltd. owns the certification marks CFP<sup>CM</sup>, CERTIFIED FINANCIAL PLANNER<sup>CM</sup> and CFP (with flame logo)<sup>SM</sup> which it awards to individuals who successfully complete initial and ongoing certification requirements.

Telephone directory Ads and Listings (not shown actual size)

**A** DIRECTORY LISTING  
Note that sample shows an exception of the CFP<sup>CM</sup> mark with <sup>CM</sup>. The phone companies are unable to reproduce the mark legibly.

**Doe J. CFP CPA CLU**  
1234 North Main Street..... 555-555-5555  
**Doe Jane CFP CPA**  
456 First Street..... 555-555-5555  
**Doe John CFP**  
7890 Tenth Street..... 555-555-5555

**B** DIRECTORY AD  
Sample shows ad in which all individuals are CFP<sup>CM</sup> certificants.

FINANCIAL  
COMPANY

John A. Doe, CFP<sup>CM</sup>, CPA, CLU  
CERTIFIED FINANCIAL PLANNER<sup>CM</sup> professional

J. Doe, CFP<sup>CM</sup>, CPA  
CERTIFIED FINANCIAL PLANNER<sup>CM</sup> professional

Jane K. Doe, CFP<sup>CM</sup>  
CERTIFIED FINANCIAL PLANNER<sup>CM</sup> professional



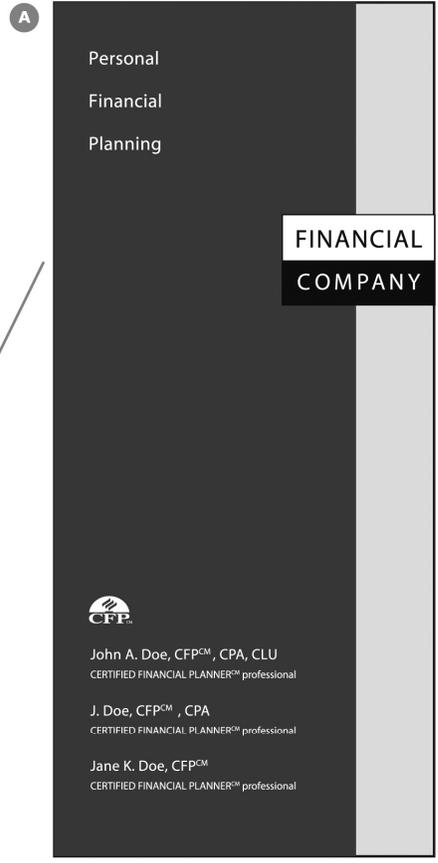
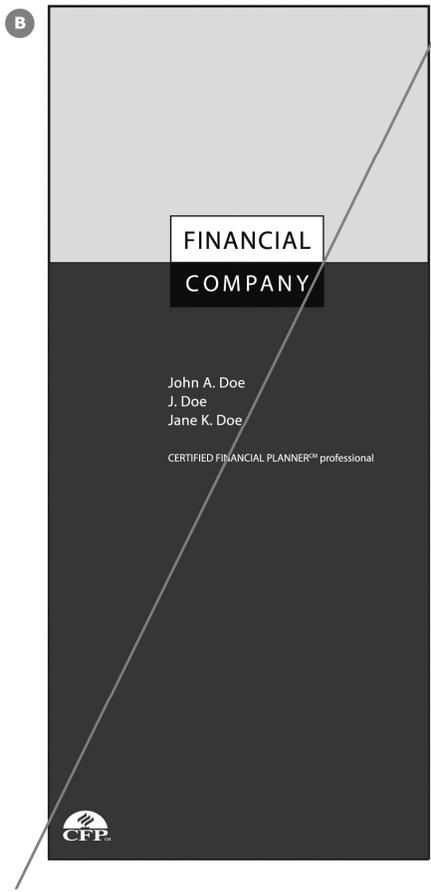
1234 North Main Street  
Anytown, IL 61000  
555-555-5555  
[www.financialcompany.com](http://www.financialcompany.com)

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CFP<sup>CM</sup>, CERTIFIED FINANCIAL PLANNER<sup>CM</sup> and  are certification marks owned outside the U.S. by Financial Planning Standards Board Ltd. (FPSB). The Institute of Financial Planners of Hong Kong is the marks licensing authority for the CFP marks in Hong Kong and Macau, through agreement with FPSB.

Brochure and Filers (not shown actual size)

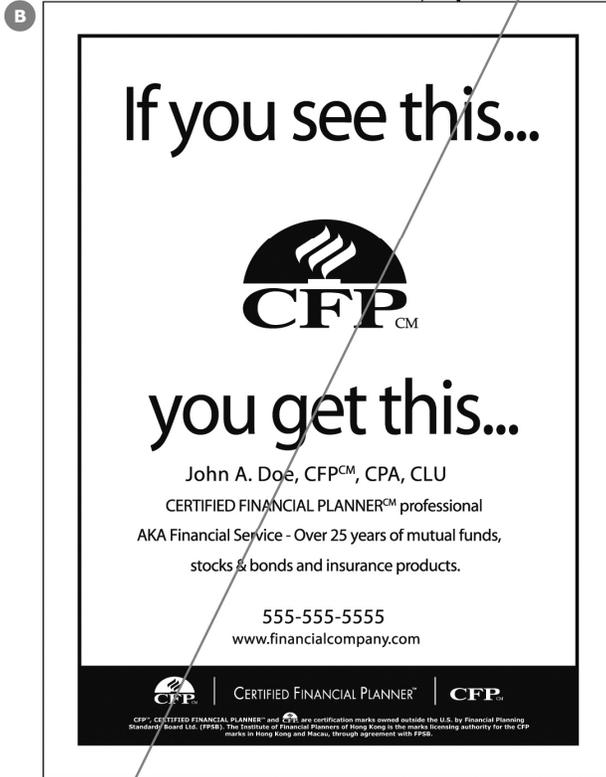
- A** CORRECT USE  
Brochure cover shows clear identification of CFP<sup>CM</sup> certificants with visual link to 
- B** MISUSE  
Brochure cover is unclear about identification of individuals as CFP<sup>CM</sup> certificants.



Advertisements (not shown actual size)

**A** CORRECT USE  
An individual may use the CFP marks in display advertising, provided that the advertising is not false or misleading.

**B** MISUSE  
The ad should not be misleading and the CFP marks must be closely associated with the individual who is certified.



A. Doe, , CPA, CLU  
FINANCIAL PLANNER<sup>CM</sup> professional  
service - Over 25 years of mutual funds,  
& bonds and insurance products.

555-555-5555  
www.financialcompany.com

CERTIFIED FINANCIAL PLANNER<sup>CM</sup> | 

CFP, CERTIFIED FINANCIAL PLANNER and CFP are certification marks owned outside the U.S. by Financial Planning Standards Board Ltd. (FPSB). The Institute of Financial Planners of Hong Kong is the marks licensing authority for the CFP marks in Hong Kong and Macau, through agreement with FPSB.

Signage (not shown actual size)

**A** CORRECT USE  
Wall sign sample shows clear link between the individual and certification marks.

**B** CORRECT USE  
Door signage sample shows clear link between the individuals and certification marks.



## Proper Usage of the CFP<sup>CM</sup> Marks in Electronic Media

### Web Sites

1. Use the CFP<sup>CM</sup> marks as described in this guide.
2. In the content of each individual web site page, only the **first use** of each mark needs the <sup>CM</sup> superscript symbol.
3. The CFP<sup>CM</sup> and CERTIFIED FINANCIAL PLANNER<sup>CM</sup> marks should appear only once in the meta-text of the code within each web site page belonging to an individual currently certified by IFPHK.

#### *Correct Use:*

- <META name "keywords" content = "CFP">
- <META name "keywords" content = "CERTIFIED FINANCIAL PLANNER, CFP">

#### *Misuse:*

- <META name "keywords" content = "CFP, CFP, CFP, CFP">
- <META name "keywords" content = "CERTIFIED FINANCIAL PLANNER, CERTIFIED FINANCIAL PLANNER, CERTIFIED FINANCIAL PLANNER">

### Domain Names

4. The CFP<sup>CM</sup> and CERTIFIED FINANCIAL PLANNER<sup>CM</sup> marks may not be used as part of a domain name. They may appear as text or images throughout the web site, according to rules for proper use.

#### *Correct Use:*

- [www.peterchanfinancialplanning.com](http://www.peterchanfinancialplanning.com)
- [www.abcplanner.com](http://www.abcplanner.com)

#### *Misuse:*

- [www.peterchancfp.com](http://www.peterchancfp.com)
- [www.abccertifiedfinancialplanner.com/cfp](http://www.abccertifiedfinancialplanner.com/cfp)
- [www.AskCFP.com](http://www.AskCFP.com)

### E-mail Addresses

5. The CFP<sup>CM</sup> and CERTIFIED FINANCIAL PLANNER<sup>CM</sup> marks may not be used as part of an e-mail address.

#### *Correct Use:*

- [pchan@hotmail.com](mailto:pchan@hotmail.com)

- [abcfinancialplanners@mchsi.com](mailto:abcfinancialplanners@mchsi.com)

**Misuse:**

- [cfppeterchan@aol.com](mailto:cfppeterchan@aol.com)
- [pchancfp@msn.com](mailto:pchancfp@msn.com)
- [pchan@CFP4U.com](mailto:pchan@CFP4U.com)

**Web Site pages**

**A** CORRECT USE  
Page shows all marks (CFP<sup>CM</sup>, CERTIFIED FINANCIAL PLANNER<sup>SM</sup> and ) after personalization and in close proximity to personalization; marks use correct nouns; tagline is included.



John Doe, CFP<sup>SM</sup>, CFS,  
VP Operations, Corporate Principal

John was educated at XYZ University and received his BS in Business Administration in 1991. In 1997, John began the educational coursework leading toward the CFP<sup>SM</sup> certification. After meeting experience and ethics requirements, two years of rigorous study and a two-day examination, he obtained the CFP certification in 1999. Most recently he obtained the Certified Fund Specialist (CFS) designation. He is licensed as a full-service stockbroker (Series 7) and holds a Series 66 investment advisory license.

Before launching Advanced Financial Advisors, Inc., in 2000, John was a principal at Smith and Doe Financial Planning for five years where he was involved in personal financial planning for clients.

Financial Planning Standards Board Ltd. owns the certification marks CFP<sup>SM</sup>, CERTIFIED FINANCIAL PLANNER<sup>SM</sup> and  which it awards to individuals who successfully complete initial and ongoing certification requirements.

**B** MISUSE  
Page shows incorrect use of the CERTIFIED FINANCIAL PLANNER<sup>SM</sup> mark (without approved noun, in lowercase and without trademark symbol); tagline is also missing.



JOHN DOE, *Certified Financial Planner*  
ETHICAL, PRACTICAL SOLUTIONS FOR YOUR RETIREMENT

ARTICLES | CALCULATORS | NEWSLETTERS | GLOSSARY | QUOTES | CONTACT US | HOME

ABOUT US  
Our Firm  
Our Services  
Our Qualifications  
Long-term planning  
Our Location

CALCULATORS  
Life Expectancy  
Cost of Retirement  
Federal Tax Savings  
More Financial Calculators

## Frequently Asked Questions

- Q1. How do I know if I have fully complied with the requirements?
- A1. You may contact IFPHK with any questions, comments or concerns at 2982 7888 or [info@ifphk.org](mailto:info@ifphk.org).
- Q2. What are the “marks”?
- A2. “Marks” refer to the three CFP<sup>CM</sup> marks owned by FPSB: CFP<sup>CM</sup>, CERTIFIED FINANCIAL PLANNER<sup>CM</sup> and  CFP<sup>®</sup>.
- Q3. Why is IFPHK so concerned with enforcing correct use of the CFP<sup>CM</sup> marks?
- A3. Marks enforcement is consistent with our mission to protect the public. It is important that the CFP<sup>CM</sup> marks do not fall into common use and become generic. If the marks no longer stand for the competency, ethics and professional practice standards that FPSB Ltd. and IFPHK have established, then we will be unable to protect the public as we do today. If the marks become generic, the public will not be able to differentiate between a personal financial planner who has completed the rigorous CFP<sup>CM</sup> certification requirements and one who has not.
- Q4. Can I take my CFP<sup>CM</sup> certification with me when I relocate to another Affiliate territory?
- A4. Because each territory has its own specific legal, tax, regulatory and other systems and requirements, CFP<sup>CM</sup> certification is adapted to indicate financial planner competency for that territory. For cross border marks use policy, you may click to: [http://www.ifphk.org/pdf/CFP/CFPCM\\_Certification\\_Information/CrossBorderPolicy.pdf](http://www.ifphk.org/pdf/CFP/CFPCM_Certification_Information/CrossBorderPolicy.pdf). If you wish to hold yourself out as a CFP<sup>CM</sup> certificant capable of practicing financial planning in a new territory, you must meet the Affiliate’s certification requirements for cross border certification. For certification requirements of each affiliate, you may refer to: [http://www.ifphk.org/en\\_about\\_affiliations\\_list.aspx](http://www.ifphk.org/en_about_affiliations_list.aspx).
- Q5. Why must I use a noun with the CFP<sup>CM</sup> marks?
- A5. A certification mark must not be used as a title or a degree. In practical term, the use of the marks as adjectives in connection with one of the approved nouns is the appropriate use.
- Q6. Do I have to use all three CFP<sup>CM</sup> marks (CFP<sup>CM</sup>, CERTIFIED FINANCIAL PLANNER<sup>CM</sup> and ) in my business materials?
- A6. No. You may use one, two or all three of the marks as long as you follow the appropriate rules for each mark.

Q7. Shall I report to IFPHK of any misuse of CFP<sup>CM</sup> marks?

A7. IFPHK understands that third party mark misuse is not within your control. As a CFP<sup>CM</sup> certificant, you have agreed to comply with the rules in this guide and we ask that you report back to IFPHK if you encounter such cases.

Q8. What happen if I do not follow the rules in this guide?

A8. As a CFP<sup>CM</sup> certificant, you have agreed to adhere to the rules and regulations set by IFPHK. Following this guide is a condition of being permitted to display the marks. If for some reasons you decide not to follow the rules in this guide, you may be subject to IFPHK's disciplinary process.

## **CODE OF ETHICS AND PROFESSIONAL RESPONSIBILITY**

### **Introduction**

The Code of Ethics and Professional Responsibility (Code) has been adopted by the Institute of Financial Planners of Hong Kong (IFPHK) to provide principles and rules to all persons.

### **Preamble and Applicability**

The Code of Ethics and Professional Responsibility describes the minimum standards of acceptable professional conduct for financial planning professionals include but not limited to individuals authorized to use CFP certification marks (refer as “CFP certificants”), individuals authorized to use AFP trademarks (refer as “AFP certificants”) and candidates.

For purposes of this Code, a person recognized and certified by IFPHK to use the CFP certification mark is called a CFP certificant, and a person recognized and certified by IFPHK to use the AFP trademark is called an AFP certificant. This Code applies to CFP/AFP certificants actively involved in the practice of financial planning, in other areas of financial services, in industry, in related professions, in government, in education or in any other professional activity in which the marks are used in the performance of their professional responsibilities. As part of the certification requirements, all CFP/AFP certificants have to abide by IFPHK’s Code of Ethics and Professional Responsibility. IFPHK relies on financial planning professionals’ professionalism and commitment to their clients in fostering the standards in this profession.

This Code also applies to candidates who are registered as such with IFPHK.

### **Composition and Scope**

The Code consists of two parts: Part I – Ethical Principles and Part II – Rules of Conduct.

#### *Part I – Ethical Principles (Principles)*

The Principles which are statements expressing in general terms the ethical standards that financial planning professionals should adhere to in their professional activities; the comments following each Principle further explain the intent of the Principle. The Principles are aspirational and are intended to provide guidance for financial planning professional on appropriate and acceptable professional behavior.

By adhering to the principles, financial planning professionals agree to provide financial planning in the interests of clients and with the highest ethical and professional standards, and

agree to uphold and promote the interests of the financial planning profession for the benefit of society. As part of their professional commitment, financial planning professionals should provide appropriate disclosures and agree to be bound by ethical standards when delivering financial planning to clients.

The Principles reflects financial planning professionals' recognition of their responsibilities to the public, clients, colleagues and employers. The Principles guides the performance and activities of anyone involved in the practice of financial planning; the concept and intent of the principles are adapted and enforced on financial planning professionals by the Part II - Rules of Conduct.

*Part II – Rules of Conduct (Rules)*

The Rules establish standards for the level and type of conduct expected of financial planning professionals. The rules are not designed to be a basis for legal liability to any third party. The Rules serve as the enforcement mechanism for the Code of Ethics and Professional Responsibility. The Rules are binding on all financial planning professionals include individuals who have the right to use the CFP/AFP marks (“CFP/AFP certificants”). Financial planning professionals must be knowledgeable and aware of the Rules and must apply and abide by the Rules that are relevant to the financial planning professionals' activities.

Violations of the Rules may subject a financial planning professional to discipline by IFPHK. Because IFPHK is a professional body that require individuals to meet initial and ongoing certification requirements, discipline for violations of the Rules extend to the rights of individuals to use the CFP/AFP marks.

**PART I – ETHICAL PRINCIPLES (PRINCIPLES)**

**Principle 1 – Best interest of clients**

**Act in the best interest of clients**

Acting fairly, honestly and professionally in the best interest of the client is a hallmark of professionalism, requiring the financial planning professional to act honestly and not place personal gain or advantage before the client's best interest.

**Principle 2 – Integrity**

**Provide professional services with integrity**

Integrity requires honesty and candor in all professional matters. Financial planning professionals are placed in positions of trust by clients, and the ultimate sources of that trust is the financial planning professional's personal integrity. Allowance can be made for legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of one's principles. Integrity requires the financial planning professional to observe both the letter and the spirit of the Code.

**Principle 3 – Objectivity**

**Provide professional services objectively**

Objectivity requires intellectual honesty and impartiality. Regardless of the services delivered or the capacity in which a financial planning professional functions, objectivity requires financial planning professionals to ensure the integrity of their work, manage conflicts and exercise sound professional judgment.

**Principle 4 – Fairness**

**Be fair and reasonable in all professional relationships. Disclose and manage conflicts of interest**

Fairness requires providing clients what they are due, owed or should expect from a professional relationship, and includes honesty and disclosure of material conflicts of interest. It involves managing one's own feelings, prejudices and desires to achieve a proper balance of interests. Fairness is treating others in the same manner that you would want to be treated.

**Principle 5 – Professionalism**

**Act in a manner that demonstrates exemplary professional conduct**

Professionalism requires behaving with dignity and showing respect and courtesy to clients, fellow professionals, and others in business-related activities, and complying with appropriate rules, regulations, and professional requirements. Professionalism requires the financial planning professional, individually and in cooperation with peers, to enhance and maintain the professional's public image and its ability to serve the public interest.

**Principle 6 – Competence**

**Maintain the abilities, skills and knowledge necessary to provide professional services competently**

Competence requires attaining and maintaining an adequate level of abilities, skills and knowledge in the provision of professional services. Competence also includes the wisdom to recognize one's own limitations and when consultation with other professionals is appropriate or referral to other professionals necessary. Competence requires the financial planning professionals to make a continuing commitment to learning and professional improvement.

**Principle 7 – Confidentiality**

**Protect the confidentiality of all client information**

Confidentiality requires client information to be protected and maintained in such a manner that allows access only to those who are authorized. A relationship of trust and confidence with the client can only be built on the understanding that the client's information will not be disclosed inappropriately.

**Principle 8 – Diligence**

**Provide professional services diligently**

Diligence requires fulfilling professional commitments in a timely and thorough manner, and taking due care in planning, supervising and delivering professional services.

**PART II - RULES OF CONDUCT (“RULES”)**

1. A financial planning professional shall not communicate, directly or indirectly, to clients or any other parties any false or misleading information directly or indirectly related to the financial planning professional's qualifications or services.
2. A financial planning professional shall not mislead clients or any other parties about the potential benefits of the financial planning professional's service.
3. A financial planning professional shall disclose all relevant facts where the disclosure is necessary to avoid misleading clients or any other parties.
4. A financial planning professional shall not engage in conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement to clients or any other parties.
5. A financial planning professional shall clearly identify with the client the assets, if any, over which the financial planning professional will take custody, exercise investment discretion, or exercise supervision.
6. A financial planning professional shall identify and keep updated records of all funds or other property of the client in the custody, or under the discretionary authority, of the financial planning professional.
7. A financial planning professional shall not commingle the client's property with the property

of the financial planning professional, the financial planning professional's employer or with other clients' property unless the commingling is permitted by law, is explicitly authorized and defined in a written agreement between the parties, and the financial planning professional has sufficient record-keeping to track each client's assets accurately.

8. A financial planning professional shall at all times act honestly, fairly and professionally in the best interests of his or her clients and the integrity of the market.
9. A financial planning professional shall treat the client fairly and provide professional services with integrity and objectivity.
10. A financial planning professional shall ensure that his or her personal biases or interests do not adversely affect his or her services to clients
11. A financial planning professional shall make and/or implement only recommendations that are suitable for the client.
12. A financial planning professional shall offer advice to clients only in those areas in which he or she is competent. In areas where the financial planning professional is not competent, the financial planning professional shall seek the counsel of, and/or refer clients to, qualified professionals.
13. A financial planning professional shall maintain competence in all areas of his or her professional practice.
14. A financial planning professional shall keep informed about developments in financial planning and participate in continuing professional development.
15. If the services include financial planning or material elements of the financial planning process, a financial planning professional shall disclose the following information in writing to the client:
  - a. An accurate and understandable description of the compensation arrangements being offered. This description must include information related to costs to the client and general form and source of compensation to the financial planning professional and/or the financial planning professional's employer; and terms under which the financial planning professional and/or the financial planning professional's employer may receive any other sources of compensation, and if so, what the sources of these

payments are and on what they are based;

- b. A general summary of likely conflicts of interest between the client and the financial planning professional, the financial planning professional's employer or any affiliates or third parties, including, but not limited to, information about any familial, contractual or agency relationship of the financial planning professional or the financial planning professional's employer that has a potential to materially affect the relationship with the client;
- c. Any information about the financial planning professional and the financial planning professional's employer that could reasonably be expected to materially affect the client's decision to engage the financial planning professional;
- d. Any information that the client might reasonably want to know in establishing the scope and nature of the relationship, including but not limited to information about the financial planning professional's areas of expertise; and
- e. Contact information for the financial planning professional and, if applicable, the financial planning professional's employer.

On an ongoing basis, the financial planning professional shall make timely disclosure to the client of any material changes to the above information.

- 16. A financial planning professional shall treat the client's information as confidential except as required in response to proper legal process or regulatory requirements; as necessitated by obligations to a financial planning professional's employer or partners; to defend against charges of wrongdoing; in connection with a civil dispute; or as needed to perform professional services on behalf of the client.
- 17. A financial planning professional shall take prudent steps to protect the security of the client's information and property, including the security of stored information, whether physically or electronically, that is within the financial planning professional's control.
- 18. A financial planning professional shall exercise reasonable and prudent professional judgment in providing professional services.
- 19. A financial planning professional shall be in compliance with all applicable legal and regulatory requirements governing professional services provided to the client.

20. A financial planning professional who is an employee/agent shall perform professional services with dedication to the lawful objectives of the employer/principal and in accordance with the IFPHK Code of Ethics and Professional Responsibility.
21. A financial planning professional shall abide by the terms of all agreements with IFPHK, including, but not limited to, using the CFP/AFP marks properly and cooperating fully with IFPHK's professional review processes and requirements.
22. A financial planning professional shall meet all of the IFPHK's requirements, including continuing education requirements, to retain the right to use the CFP/AFP marks.
23. A financial planning professional shall notify IFPHK in writing of any conviction of a crime, or any professional suspension or revocation within 10 working days after the date on which the financial planning professional is notified of the conviction, suspension or revocation.
24. A financial planning professional shall not engage in any conduct which reflects adversely on his or her integrity or fitness as a CFP/AFP certificant, upon the CFP/AFP marks, or upon the financial planning profession.
25. A financial planning professional shall provide professional services in a timely and thorough manner.
26. Consistent with the scope of the engagement, a financial planning professional shall undertake a reasonable investigation of products and services to be recommended to clients. A financial planning professional may rely upon an investigation undertaken by a third party provided it is reasonable to place reliance on the quality of such investigation.
27. A financial planning professional shall provide reasonable and prudent professional supervision of, or direction to, any subordinate or third party to whom the financial planning professional assigns responsibility for any client services.
28. A financial planning professional shall return the client's property upon request as soon as practicable or consistent with a time frame specified in an agreement with the client.
29. The financial planning professional and the client shall mutually agree upon the services to be provided by the financial planning professional.

30. If the services include financial planning or material elements of the financial planning process, prior to entering into an agreement, the financial planning professional shall provide written information and/or discuss with the client the following:
- a. The obligations and responsibilities of each party under the agreement with respect to defining the client's objective, needs and priorities; gathering and providing appropriate data; examining the result of the client's current course(s) of action without changes; the formulation of any recommended actions; implementation responsibilities for the financial planning recommendations; and responsibilities for reviewing for the financial planning recommendations;
  - b. Compensation that any party to the agreement or any affiliate to a party to the agreement will or could receive under the terms of the agreements; and factors or terms that determine costs to the client, how decisions benefit the financial planning professional and the relative benefit to the financial planning professional;
  - c. Terms under which the financial planning professional will utilize proprietary products;
  - d. Terms under which the financial planning professional will use other entities/professionals to meet any of the agreement's obligations;
  - e. The process for terminating the relationship; and
  - f. Procedures for resolution of client claims and complaints against the financial planning professional.
31. If the services include financial planning or material elements of the financial planning process, the financial planning professional or the financial planning professional's employer shall enter into a written agreement governing the financial planning services ("Agreement"). The Agreement shall specify:
- a. The parties to the Agreement;
  - b. The date of the Agreement and its duration;
  - c. How and on what terms each party is able to terminate the Agreement; and
  - d. The services to be provided as part of the Agreement.

32. A financial planning professional shall take all reasonable steps to ensure the client understands the financial planning recommendation(s) to allow the client to make informed decisions.

## DISCIPLINARY RULES AND PROCEDURES 2011

### ARTICLE 1: INTRODUCTION

- 1.1 The Institute of Financial Planners of Hong Kong (IFPHK) has adopted a Code of Ethics and Professional Responsibility (Code) which establishes minimum standards of acceptable professional conduct for individuals entitled to use the CFP<sup>CM</sup>/AFP<sup>TM</sup> certification marks/trademarks including CFP<sup>CM</sup>, CERTIFIED FINANCIAL PLANNER<sup>CM</sup>,  CFP<sup>CM</sup>, AFP<sup>TM</sup>, ASSOCIATE FINANCIAL PLANNER<sup>TM</sup> and  AFP<sup>TM</sup> (collectively, "the Marks"). Adherence to the Code is mandatory for all CFP certificants (individuals authorized to use IFPHK's CFP certification marks), AFP certificants (individuals authorized to use AFP trademarks) and candidates. IFPHK has adopted these Disciplinary Rules and Procedures (Procedures) for the purpose of enforcing the Code.
- 1.2 For the purpose of the Code and these Disciplinary Rules and Procedures, candidates refer to candidate registered as such with IFPHK.
- 1.3 The Professional Ethics Review Committee, the Investigating Officer, the Hearing Panel or the Appeal Panel, as the case may be, may in their discretion deviate from these rules and procedures if deemed appropriate or desirable in the interest of dealing with any matter justly, efficiently and/or expeditiously, or if to follow any rule or procedure would result in a manifestly unjust outcome, or would run counter to the spirit of these rules and procedures.

### ARTICLE 2: ADMINISTRATION

- 2.1 **Professional Ethics Review Committee (Committee)**
  - 2.1.1 The Committee, as appointed by the IFPHK Board of Directors from time to time, is charged with overseeing the process of investigating, reviewing and taking appropriate action with respect to alleged violations and alleged non-compliance with the Code.
  - 2.1.2 Committee members shall refrain from participating in decision-making in respect of any proceedings in which they, a member of their immediate family or a member of their firm has any interest or where such participation otherwise would involve a conflict of interest whether personal or professional, or the appearance of impropriety.
  - 2.1.3 The Committee may meet and deliberate or take any decision by telephone or correspondence, and in particular by electronic correspondence.
- 2.2 **Investigating Officer**
  - 2.2.1 The Investigating Officer refers to the individual(s) assigned by the Committee to investigate any matters which may give rise to grounds for disciplinary actions and to conduct the disciplinary process. No member of the IFPHK Board of Directors or the Committee may serve as an Investigating Officer.
  - 2.2.2 If the Investigating Officer resigns or is otherwise unable to continue an investigation, the Committee may designate another Investigating Officer to continue the disciplinary process.

**2.3 Hearing or Appeal Panel**

- 2.3.1 A Hearing or Appeal Panel shall be convened by the Secretary as required from time to time, by selecting available members from the Panel Membership List approved by the Committee. The quorum for a determination of the Panel is any 3 members, at least one of which shall be a member of IFPHK and at least two of which shall be CFP certificants. No member of the Hearing Panel which heard a particular matter may sit as a member of the Appeal Panel for the purposes of any appeal in relation to that matter.
- 2.3.2 The Chairman of the Panel shall be a member of IFPHK. The Chairman of the Panel shall monitor proceedings and shall rule on all procedural issues arising during the course of the proceedings, subject to the Chairman's discretion to refer any procedural matter to the full Panel for decision if the Chairman considers this to be desirable.
- 2.3.3 Any Panel may meet and deliberate or take any decision by telephone or correspondence, and in particular by electronic correspondence.

**2.4 Secretary**

- 2.4.1 The Committee shall appoint a person to act as Secretary to the Hearing Panel and the Appeal Panel. The role of the Secretary is to co-ordinate the operation of the procedures and to carry out such administrative functions as may from time to time be authorised by the Chairman or the Panel.

**ARTICLE 3: GROUNDS FOR DISCIPLINARY ACTION**

- 3.1 Misconduct by a CFP/AFP certificant or a candidate, individually or in concert with others, including but not limited to the following acts or omissions, shall constitute grounds for disciplinary action, whether or not the act or omission occurred in the course of a client relationship:
- a. Any act or omission which violates the Code and/or non-compliance with the provisions of the Code;
  - b. Any act or omission which is unethical or unprofessional, or which may bring the reputation of the Marks into question;
  - c. Any act or omission which violates the criminal laws of Hong Kong SAR, or jurisdiction of any other country, provided however that conviction thereof in a criminal proceeding shall not be a pre-requisite to the institution of disciplinary proceedings, and provided further that acquittal in a criminal proceeding shall not bar disciplinary action;
  - d. Any act which is a proper basis for professional suspension, provided professional suspension shall not be a pre-requisite to the institution of disciplinary proceedings, and provided further, that dismissal of charges in a professional suspension proceeding shall not necessarily bar a disciplinary action. "Professional Suspension" shall include the suspension or bar as a disciplinary measure by any governmental or industry self-regulatory authority of a licence as a registered securities representative, broker/dealer, insurance or real estate salesperson or broker, insurance broker, solicitor, barrister, accountant, investment adviser or financial planner;
  - e. Any false or misleading statement and/or declaration made to IFPHK;

- f. Failure to assist in an investigation by the Committee;
  - g. Failure to respond to a request by the Investigating Officer, without good cause shown, or obstruction of the Investigating Officer, any panels of the Committee, the Committee, or IFPHK Staff in the performance of its or their duties hereunder;
  - h. Any act or omission which violates these Procedures or non-compliance with an order of discipline issued by IFPHK; and/or
  - i. The CFP/AFP certificant being the subject of a bankruptcy order under the provisions of the Bankruptcy Ordinance (Cap. 6 of the Laws of Hong Kong).
- 3.2 The above list of acts and omissions is not exclusive and other acts or omissions amounting to misconduct may constitute grounds for disciplinary action.

#### **ARTICLE 4: DISCIPLINARY ACTION**

4.1 Following a finding of misconduct, the Hearing Panel or the Appeal Panel, as the case may be, may order any one, or a combination, of the following forms of disciplinary action:

- a) Private Censure  
The Hearing Panel or the Appeal Panel, as the case may be, may order private censure of a CFP/AFP certificant which shall be an unpublished written reproach sent by ordinary post by IFPHK containing a written censure on the CFP/AFP certificant.
- b) Public Letter of Admonition  
The Hearing Panel or the Appeal Panel, as the case may be, may order that a Letter of Admonition be issued against a CFP/AFP certificant, which shall be a public written reproach of the CFP/AFP certificant's behaviour. It shall be standard procedure to publish the Letter of Admonition in a press release or in such other form of publicity elected by the CEO of IFPHK, with identification of the CFP/AFP certificant.
- c) Suspension  
The Hearing Panel or the Appeal Panel, as the case may be, may order suspension of a CFP/AFP certificant's right to use the Marks for a specified period of time, not to exceed five (5) years, for those individuals it deems can be rehabilitated. It shall be standard procedure to publish Suspension in a press release or in such other form of publicity elected by the CEO of IFPHK, with identification of the CFP/AFP certificant. In some cases when the Hearing Panel or the Appeal Panel, as the case may be, determines that there are mitigating circumstances it may decide to withhold publication. CFP/AFP certificants receiving a suspension may qualify for reinstatement to use the Marks as provided in Article 10.
- d) Revocation  
The Hearing Panel or the Appeal Panel, as the case may be, may order permanent revocation of a CFP/AFP certificant's right to use the Marks. It shall be standard procedure to publish the Revocation in a press release or in such other form of publicity elected by the CEO of IFPHK, with identification of the CFP/AFP certificant. In some cases when the Hearing Panel or the Appeal Panel, as the case may be, determines that there are mitigating

circumstances it may decide to withhold publication. Revocation shall be permanent.

4.2 In all circumstances, the Hearing Panel or the Appeal Panel, as the case may be, has the right to require CFP/AFP certificants or the candidates to complete additional continuing education or other remedial work. Such continuing education or remedial work may be ordered instead of, or in addition to, any disciplinary action listed above.

4.3 **Required action after revocation or suspension**

After an order of revocation or suspension has been made final, the CFP/AFP certificant shall promptly terminate any use of the Marks and in particular shall not use them in any advertising, announcement, letterhead or business card.

4.4 **Forms of Discipline Concerning Candidates**

4.4.1 Under certain circumstances, the Hearing Panel or the Appeal Panel, as the case may be, may take action in matters involving the conduct of candidates. Action that may be taken in these cases, where grounds have been established, correspond in character and degree to the forms of discipline described in Article 4.1, and are accordingly as follows:

- a. Subject to the candidate meeting all other requirements of certification, the Committee may order certification with a private censure in the candidate's record;
- b. Subject to the candidate meeting all other requirements of certification, the Committee may allow certification and order the issuance of a Letter of Admonition in the candidate's record and/or to be published as appropriate;
- c. Certification, if any, suspended for a specified period, not to exceed five (5) years; or
- d. Certification, if any, denied permanently.

4.4.2 In the event of either a suspension or a denial of certification, the fact of such suspension or denial shall be publishable at the discretion of the Hearing Panel or the Appeal Panel, as the case may be. A candidate who has been the subject of an order to suspend certification may seek to re-apply for certification. Such candidates shall, in addition, meet the requirements of original certification.

**ARTICLE 5: INVESTIGATION**

5.1 **Commencement**

An investigation into any matter which may give rise to grounds for disciplinary action may be initiated by an Investigating Officer upon receipt of a complaint by any person or entity, at the direction of the Committee, or upon the Investigating Officer's own initiative.

5.2 **Investigation**

5.2.1 The Investigating Officer may make such inquiry with the Complainant (if any) or such other persons, organisations or authorities (including any employer) as he/she deems appropriate. The CFP/AFP certificant or the candidate (collectively, the "Respondent"), as the case may be, has an obligation to cooperate fully, to answer any questions fully and frankly, and shall make available to the Investigating Officer

upon request any relevant documents and records in his/her possession. Failure to do so is itself a ground for disciplinary action pursuant to Article 3. The Investigating Officer shall provide the Respondent with an opportunity to make representations and/or explain any fact or other matter in such manner and form and within such time as he/she considers appropriate.

- 5.2.2 The Investigating Officer shall have regard to all documents and information obtained in the course of his/her investigation. If the Investigating Officer is of the opinion that misconduct may have taken place, he/she may refer the matter for determination by a Hearing Panel.
- 5.2.3 The Investigating Officer shall compile relevant documents and materials in a report (Disciplinary Report) and submit it to the Secretary together with a request that a Hearing Panel be convened. A copy of the Disciplinary Report shall be delivered to the Respondent as soon as is reasonably practicable.

#### **ARTICLE 6: SETTLEMENT PROCEDURE**

- 6.1 A Respondent against whom proceedings are pending pursuant to these Procedures may, at any time, tender an Offer of Settlement in exchange for a stipulated form of disciplinary action. The Hearing Panel shall have an absolute discretion to accept or reject an Offer of Settlement.

#### **ARTICLE 7: DECISION OF THE HEARING PANEL**

##### **7.1 Procedure and Proof**

- 7.1.1 Upon receipt of the Disciplinary Report, the Hearing Panel will invite the Respondent to make any further representations in such manner and form and within such time as the Chairman or the Hearing Panel considers appropriate.
- 7.1.2 The Investigating Officer may submit a Reply addressing any new matters arising from the Respondent's further representations within 14 working days, or such other time as the Chairman or the Hearing Panel may direct.
- 7.1.3 In the event the Investigating Officer submits a Reply, the Respondent may make final representations addressing any new matters arising from that Reply within 14 working days, or such other time as the Chairman or the Hearing Panel may direct.
- 7.1.4 Unless either the Respondent in his representations or the Investigating Officer makes a request that an oral hearing be held, the Hearing Panel will then proceed to make a determination on the papers in accordance with Article 7.3. If the Respondent fails to make any representations within the time prescribed, he shall be deemed not to require an oral hearing.
- 7.1.5 The Secretary shall be the point of contact for the parties. All enquiries on procedural matters shall be directed to the Secretary, who shall refer such enquiries to the Chairman for decision. All submissions and correspondence submitted by the parties shall be addressed to the Secretary, who shall circulate such submissions/correspondence to the Panel members and the other party.
- 7.1.6 Where a third party (including a complainant) wishes to make representations to the Hearing Panel, the Hearing Panel may in its absolute discretion allow that party to make representations either orally or in writing as it deems appropriate.

7.1.7 The rules of evidence applicable in a court of law do not apply and the Hearing Panel may receive any material (whether orally or in writing), and attach such weight to that material, as the Hearing Panel considers appropriate.

7.1.8 Proof of a ground for disciplinary action shall be established on balance of probabilities, adjusted where relevant to take into consideration the gravity of the charges (the "relevant standard of proof").

## 7.2 **Disciplinary Hearings**

7.2.1 If an oral hearing is requested, the Secretary shall arrange a date, time and venue for the disciplinary hearing. At least 14 working days before the hearing, the parties shall provide the Secretary with a list of the persons who will be attending the hearing with that party, and the respective capacity in which such persons will be acting. The Secretary will provide the parties with a list of the persons who will be attending the hearing once the necessary information has been received by the Secretary.

7.2.2 The hearing will be conducted in English or Cantonese as the Hearing Panel may in its discretion direct and any party may, if he/she wishes, be accompanied by a person acting as an interpreter. In any case where a party wishes to be accompanied by an interpreter, that party shall inform the Secretary as soon as possible and in any event at least 5 working days before the hearing. It is the responsibility of the party requiring an interpreter to arrange for an interpreter to be present at the hearing.

7.2.3 A party may be accompanied by his/her legal adviser. Whilst a party may confer with his/her legal adviser, unless the Chairman or the Panel otherwise directs, all submissions must be made by the parties themselves and all questions addressed to a party by the Panel must be answered by the party directly and not through his or her legal adviser.

7.2.4 It is the responsibility of any party requiring the attendance of witness(es) to procure their attendance at the hearing. The Hearing Panel may decline to hear a witness if the Panel considers his or her evidence to be unnecessary or that the hearing of that witness would impede the disciplinary process.

7.2.5 If a Respondent fails to attend on the scheduled hearing date and time, the hearing may be conducted in his/her absence.

## 7.3 **Decision of the Hearing Panel**

7.3.1 The Hearing Panel shall determine either:

a) that the allegations are not proved to the relevant standard of proof, or that the facts as established do not warrant the imposition of disciplinary action and recommend the allegations be dismissed, either as without merit or with caution;  
or

b) that the allegations are proved to the relevant standard of proof and that disciplinary action is warranted and impose an appropriate sanction.

7.3.2 The Hearing Panel shall make a decision by simple majority of members representing a quorum.

7.3.3 The Chairman of the Hearing Panel shall record its reasons for decision and determinations (Order) and shall send the Order of the Hearing Panel to the Investigating Officer, the Respondent and the Committee. The Secretary and/or any

legal advisers appointed by the Panel may assist the Chairman in preparing the decision.

- 7.3.4 Unless the Order otherwise specifies, a decision by the Hearing Panel shall not take effect until the expiration of the prescribed time for a Request for Appeal to be lodged, or if a Request for Appeal has been lodged, the Appeal Panel has determined the matter.

**7.4 Failure to comply with directions of the Chairman or Hearing Panel**

- 7.4.1 Any failure on the part of a party to comply with the directions of the Chairman or Hearing Panel at any stage of the proceedings shall itself constitute grounds for disciplinary action under Article 3.

**ARTICLE 8: APPEALS AND APPEAL HEARINGS**

- 8.1 The Investigating Officer or the Respondent may appeal an Order of the Hearing Panel.
- 8.2 A Request for Appeal, together with the relevant fee as required under Article 11, shall be submitted to the Secretary within fifteen (15) working days after the Order of the Hearing Panel is sent to the parties. The appellant shall, no later than fifteen (15) working days after submission of the Request for Appeal, file a written submission setting out the grounds for appeal, the relief sought, and whether an oral hearing is requested. The submission must be accompanied by a copy of the Order of the Hearing Panel.
- 8.3 Unless the Hearing Panel has otherwise specified in the Order, upon a Request for Appeal being filed by an appellant, all disciplinary penalties shall be suspended pending the determination of the appeal.
- 8.4 Upon receipt of a Request of Appeal, the Secretary shall convene an Appeal Panel. The procedure outlined in Article 7 will be followed by the Appeal Panel, with the Appellant's written submission being treated as if it were the Disciplinary Report for the purposes of the timetable and process.
- 8.5 The Appeal Panel may vary any penalty ordered by the Hearing Panel or make such other orders as it sees fit. The decision of the Appeal Panel is final and there is no further right of appeal. A written copy of the final decision and the Order of the Appeal Panel will be provided to the parties and the Committee.

**ARTICLE 9: INTERIM SUSPENSION**

- 9.1 Interim suspension is the temporary suspension by IFPHK of a CFP/AFP certificant's right to use the Marks for a definite or indefinite period of time, while disciplinary proceedings are pending or ongoing. Imposition of an interim suspension shall not preclude the imposition of any other form of disciplinary action by the Hearing Panel or the Appeal Panel upon final disposal of the disciplinary proceedings.
- 9.2 On the application of the Investigating Officer or on its own initiative, a Hearing Panel may in its absolute discretion order the interim suspension of a CFP/AFP certificant's right to use the Marks during the pendency of a disciplinary investigation or disciplinary proceedings. Where the Investigating Officer makes an application for the

imposition of an interim suspension but no disciplinary proceedings have yet been commenced and/or no Hearing Panel has yet been convened, the Secretary shall convene a Hearing Panel for the purposes of determining the application for the imposition of an interim suspension.

- 9.3 Following an imposition of an interim suspension of a CFP/AFP certificant's right to use the Marks, the CFP/AFP certificant may apply to the Committee to request that the interim suspension be lifted. Any such application shall be in writing and supported by reasons. The Committee may decide in its discretion whether or not to lift the interim suspension, having regard to all the circumstances of the case

#### **ARTICLE 10: REINSTATEMENT AFTER DISCIPLINARY ACTION**

##### **10.1 After Revocation**

Revocation shall be permanent, and there shall be no opportunity for reinstatement.

##### **10.2 Reinstatement After Suspension**

Unless otherwise provided by the Hearing Panel or the Appeal Panel, a CFP/AFP certificant who has been suspended must make an application to the IFPHK for reinstatement after the expiration of the period of his/her suspension. The CFP/AFP certificant must meet all administrative requirements for re-certification and prove by clear and convincing evidence that the CFP/AFP certificant has been rehabilitated, has complied with all applicable disciplinary orders and provisions of these Disciplinary Rules and Procedures, and that the CFP/AFP certificant is fit to use the Marks. The Committee may investigate any application for reinstatement and/or examine the CFP/AFP certificant at an oral hearing if the Committee considers it appropriate.

#### **ARTICLE 11: COSTS**

- 11.1 The Respondent shall bear his own costs relating to the investigation and, where applicable, the oral hearing.
- 11.2 A Respondent who petitions for appeal shall pay a non-refundable fee of HK\$5,000.

#### **ARTICLE 12: NOTICE AND SERVICE**

- 12.1 Except as may otherwise be provided in these Procedures, notice shall be in writing and the giving of such notice and the service thereof shall be sufficient when sent by ordinary post to the last known address, or by fax to the fax number, of the CFP/AFP certificant or the candidate according to the records maintained by IFPHK. It shall be the duty of the CFP/AFP certificant or the candidate to update the IFPHK in the event of changes to his or her postal address and/or fax number.
- 12.2 Service shall be deemed effective:
- a) on the date of delivery by hand or by fax;
  - b) on the fourth working day after sending by ordinary post to an address in Hong Kong;

- c) on the tenth working day after sending by ordinary post to an address in Macau or the mainland of the People's Republic of China; and
  - d) on the tenth working day after sending by airmail (or an equivalent mode of delivery) to an address outside of Hong Kong, Macau or the mainland of the People's Republic of China.
- 12.3 All submissions, enquiries or correspondence for the Secretary shall be sent to the address of IFPHK marked for the attention of the Secretary to the Hearing Panel or the Secretary to the Appeal Panel, as the case may be.

## **FINANCIAL PLANNING PRACTICE STANDARDS**

### **Introduction**

IFPHK has adopted the Financial Planning Practice Standards (“Practice Standards”) in order to:

- Establish the level of practice expected of a financial planning professional engaged in the delivery of financial planning to a client;
- Establish norms of professional practice and allow for consistent delivery of financial planning by financial planning professionals;
- Clarify the respective roles and responsibilities of financial planning professionals and their clients in financial planning engagements; and
- Enhance the value of the financial planning process.

Financial planning is the process of developing strategies to assist clients in managing their financial affairs to meet life goals. The process of financial planning involves reviewing all relevant aspects of a client’s situation across a large breadth of financial planning activities, including inter-relationships among often conflicting objectives. The Practice Standards establish the level of professional practice reasonably expected of financial planning professionals during financial planning engagements, regardless of practice type, setting, location or method of compensation. IFPHK expects that clients of financial planning professionals will benefit from a globally accepted set of Practice Standards for financial planning professionals.

### **Format of the Practice Standards**

Each Practice Standard is a statement that relates to an element of the financial planning process. The statement is followed by an explanation of the Practice Standard’s intent, which guides interpretation and application of the Practice Standards (based on a standard of reasonableness). The explanation is not intended to establish a professional standard or duty beyond what is contained in the Practice Standards itself.

The Practice Standards are not intended to prescribe the services to be provided or step-by-step procedures for providing any particular service. The financial planning process is an integrated one; functions may be combined and/or revisited based on the ongoing

relationship between the financial planning professional and the client.

**Applicability of the Practice Standards**

A financial planning professional should always consider all aspects of the client’s financial situation in formulating strategies and making recommendations, and should follow these Practice Standards to the extent that they apply to any given situation. At least some of these Practice Standards apply both to comprehensive financial planning and to the provision of services that only represent one of the components of financial planning (i.e., Financial Management, Asset Management, Risk Management, Tax Planning, Retirement Planning and Estate Planning).

Standard 1, dealing with establishing and defining the relationship with the client, applies any time a financial planning professional provides financial planning or components of financial planning to a client. This serves to establish clear and appropriate expectations for the client and the financial planning professional. Standards 2 through 6 apply to the extent that they are relevant to the financial planning engagement (the scope of the engagement document will dictate the applicability of the standards).

Financial Planning Process	Related Practice Standard(s)
1. Establish and define the relationship with the client	1.1: Inform the client about financial planning and the financial planning professional’s competencies 1.2: Determine whether the financial planning professional can meet the client’s needs 1.3: Define the scope of the engagement
2. Collect the client’s information	2.1: Identify the client’s personal and financial objectives, needs and priorities 2.2: Collect quantitative information and documents 2.3: Collect qualitative information
3. Analyze and assess the client’s financial status	3.1: Analyze the client’s information 3.2: Assess the client’s objectives, needs and priorities

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|--|--|
| 4. Develop the financial planning recommendations and present them to the client | 4.1: Identify and evaluate financial planning strategies<br>4.2: Develop the financial planning recommendations<br>4.3: Present the financial planning recommendations to the client |
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| 5. Implement the client's financial planning recommendations | 5.1: Agree on implementation responsibilities<br>5.2: Identify and present product(s) and service(s) for implementation |
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| 6. Review the client's situation | 6.1: Agree on responsibilities and terms for review of the client's situation<br>6.2: Review and re-evaluate the client's situation |
|----------------------------------|---|

## **1. ESTABLISH AND DEFINE THE RELATIONSHIP WITH THE CLIENT**

### **1.1: Inform the Client about Financial Planning and the Financial Planning Professional's Competencies**

The financial planning professional informs the client about the financial planning process, the services the financial planning professional offers, and the financial planning professional's competencies and experience.

#### **Explanation**

Prior to entering a financial planning engagement with the client, the financial planning professional helps the client to understand the financial planning process and the nature of financial planning engagements, and provides information on the financial planning professional's qualifications. This information may include: how financial planning can help the client to meet objectives; a description of the financial planning professional's methodology when providing financial planning; and information about the financial planning professional's licenses, experience and expertise. The financial planning professional provides to the client, as required, information about the services the financial planning professional provides as well as what charges may be incurred by the client.

### **1.2: Determine Whether the Financial Planning Professional Can Meet the Client's Needs**

The financial planning professional and the client determine whether the services offered by the financial planning professional and his or her competencies meet the needs of the client. The financial planning professional considers his or her skills, knowledge and experience in providing the services requested or likely to be required by the client. The financial planning professional determines if he or she has, and discloses, any conflict(s) of interest.

#### **Explanation**

The financial planning professional considers if he or she, or his or her staff, has the appropriate abilities, skills and knowledge to meet the client's expectations. The financial planning professional considers if there are any personal conflicts that would affect his or her ability to work successfully with the client. The financial planning professional determines if there are any other circumstances, relationships or facts that would place the interest(s) of the financial planning professional in conflict with the client's interest(s), or the interest(s) of one client in conflict with another client. The financial planning professional discusses the confidentiality of the client's information.

### **1.3: Define the Scope of the Engagement**

The financial planning professional and the client agree on the services to be provided. The financial planning professional describes, in writing, the scope of the engagement before any financial planning is provided, including details about: the responsibilities of each party (including third parties); the terms of the engagement; and compensation and conflict(s) of interest of the financial planning professional. The scope of the engagement is set out in writing in a formal document signed by both parties or formally accepted by the client and includes a process for terminating the engagement.

#### **Explanation**

Mutually defining the scope of the engagement establishes realistic expectations for both the client and the financial planning professional. The financial planning professional and the client may agree that the scope of the engagement covers one, several or all of the financial planning components (i.e., Financial Management, Asset Management, Risk Management, Tax Planning, Retirement Planning and Estate Planning).

A written document ensures mutual understanding and agreement between the financial planning professional and the client about the terms of the financial planning engagement. In setting out the terms in an engagement letter or disclosure document, the financial planning professional includes the following:

- Specific services to be included or excluded, such as implementation and review;
- The financial planning professional's compensation arrangements with respect to the engagement, including fees to be paid by the client;
- Existing conflicts of interest, including those involving compensation arrangements with third parties, and agreement to disclose subsequent conflicts of interest if or when they occur;
- Specific parties to the engagement, including details of any legal and agency relationships which may exist;
- Assurance of protection of client confidentiality;
- Duration of the engagement;
- The client's responsibilities, including the full and timely disclosure of information;
- The financial planning professional's responsibilities;
- Provisions for terminating the client engagement; and
- Procedures for resolving the client's claims and complaints against the financial planning professional.

Additional information that may form part of the formal written document includes:

- The potential need to use other professionals during the engagement;
- An explanation of qualifications, licenses and experience of individuals who will work with the client;
- Specific limitations on the use of client information; and
- Any other information necessary to adequately inform the client.

Circumstances may change the financial planning professional's ability to provide services to the client, or the client may decide to terminate services or transfer to another professional. The financial planning professional disengages the client or facilitates the client's transfer to another adviser in a professional manner.

## **2. COLLECT THE CLIENT'S INFORMATION**

### **2.1: Identify the Client's Personal and Financial Objectives, Needs and Priorities**

The financial planning professional and the client identify the client's personal and financial objectives, needs and priorities that are relevant to the scope of the engagement before making and/or implementing any recommendations.

#### **Explanation**

The financial planning professional strives to clearly understand the client's current situation and financial objectives, needs and priorities. The client's financial objectives state intent, provide guidance and bring structure to the financial planning engagement. The financial planning professional assists the client in clarifying and prioritizing his/her short and long-term objectives, and discusses with the client the merit and feasibility of any objectives that appear to be unrealistic.

### **2.2: Collect Quantitative Information and Documents**

The financial planning professional collects sufficient quantitative information and documents about the client relevant to the scope of the engagement before making and/or implementing any recommendations.

#### **Explanation**

The financial planning professional strives to collect complete and accurate client information and documents relevant to the scope of the engagement. The financial planning professional relies on information provided by the client and other sources to make appropriate recommendations and clearly communicates to the client the importance of collecting complete, current and accurate information. In return, the financial planning professional

respects the confidentiality of, and safeguards, client documents. If the financial planning professional is unable to collect information necessary to develop and support recommendations, the financial planning professional discusses this with the client, explaining how these limitations impact the engagement and the financial plan. These limitations could result in a revised engagement document or in termination of the engagement.

### **2.3: Collect Qualitative Information**

The financial planning professional collects sufficient qualitative information about the client relevant to the scope of the engagement before making and/or implementing any recommendations.

#### **Explanation**

The financial planning professional gathers information to understand the client's values, attitudes, expectations and financial experiences. This includes asking questions of the client and employing appropriate listening skills. The financial planning professional determines the client's level of sophistication and financial literacy. These areas are subjective and the financial planning professional's interpretation may be limited by what the client reveals.

## **3. ANALYZE AND ASSESS THE CLIENT'S FINANCIAL STATUS**

### **3.1: Analyze the Client's Information**

The financial planning professional analyzes the client's information, subject to the scope of the engagement, to gain an understanding of the client's financial situation.

#### **Explanation**

The financial planning professional analyzes the client's current situation and information, and works with the client to resolve obvious omissions and/or inconsistencies in the information collected. As part of this analysis, the financial planning professional uses client-specified, mutually agreed upon objectives and other reasonable assumptions, which may include the client's retirement age, life expectancy, income needs, risk factors, time horizon and special needs, as well as economic assumptions such as inflation rates, tax rates and investment returns.

### **3.2: Assess the Client's Objectives, Needs and Priorities**

The financial planning professional assesses the strengths and weaknesses of the client's current financial situation and compares them to the client's objectives, needs and priorities.

**Explanation**

The financial planning professional considers the opportunities and constraints presented by the client's financial situation and current course(s) of action, and determines the likelihood of the client reaching his or her objectives by continuing present activities or making anticipated changes. The financial planning professional may identify other issues that may impact the client's ability to achieve objectives, which he or she discusses with the client. It may be appropriate for the financial planning professional to amend the scope of the engagement and/or to obtain additional information.

**4. DEVELOP THE FINANCIAL PLANNING RECOMMENDATIONS AND PRESENT THEM TO THE CLIENT**

**4.1: Identify and Evaluate Financial Planning Strategies**

The financial planning professional considers one or more strategies relevant to the client's current situation that could reasonably meet the client's objectives, needs and priorities.

**Explanation**

The financial planning professional identifies alternative strategies for achieving the client's confirmed objectives. The financial planning professional evaluates the ability of each strategy to reasonably address the client's objectives, needs and priorities. This evaluation may involve discussing with the client the importance, priority and timing of the client's objectives and needs; considering multiple assumptions; and/or conducting research or consulting with other professionals. This process may result in a single strategy, multiple strategies or no change to the client's current course(s) of action. In considering alternative strategies, the financial planning professional takes into account his or her legal and/or regulatory limitations or requirements and his or her competence to address each of the client's objectives, needs and priorities. More than one strategy may meet the client's objectives, needs and priorities. Strategies and consequences identified by the financial planning professional may differ from those of other practitioners or advisers, illustrating the subjective nature of exercising professional judgment.

**4.2: Develop the Financial Planning Recommendations**

The financial planning professional develops the financial planning recommendations based on the selected strategies to reasonably meet the client's confirmed objectives, needs and priorities.

**Explanation**

After identifying and evaluating various strategies and the client's current course(s) of action, the financial planning professional develops financial planning recommendations that can reasonably meet the client's objectives, needs and priorities. The recommendations may be an independent action or a combination of actions which may need to be implemented collectively. The recommendations may be to continue the current course(s) of action. If the financial planning professional recommends a change, it may be general or specific in nature. It may be necessary for the financial planning professional to recommend that the client modify an objective, need or priority. The recommendations developed by the financial planning professional may differ from those of other practitioners or advisers, yet each may reasonably meet the client's objectives, needs and priorities. It is important that this part of the financial planning process be sufficiently documented.

**4.3: Present the Financial Planning Recommendations to the Client**

The financial planning professional presents the financial planning recommendations and the supporting rationale in a way that allows the client to make an informed decision.

**Explanation**

When presenting the financial planning recommendations, the financial planning professional helps the client understand the client's current situation, the factors and assumptions that were critical to the recommendation(s), the risks of the recommended strategy(ies), and the likely impact of the recommendation(s) on the client's ability to meet his/her objectives. The financial planning professional avoids presenting his or her opinion as fact. The financial planning professional informs the client that the financial planning recommendations will likely need to be modified as the client's personal, economic and other conditions change. The financial planning professional discloses to the client any conflict(s) of interest not previously disclosed, and explains how such conflicts impact the financial planning recommendations. At this stage of the financial planning process, the financial planning professional can further assess whether the financial planning recommendations meets the client's expectations, whether the client is willing to act on the recommendation(s), and whether modifications are necessary.

**5. IMPLEMENT THE CLIENT'S FINANCIAL PLANNING RECOMMENDATIONS**

**5.1: Agree on Implementation Responsibilities**

The financial planning professional and the client agree on implementation responsibilities that are consistent with the scope of the engagement, the client's acceptance of the financial planning recommendations, and the financial planning professional's ability to implement the financial planning recommendations.

**Explanation**

The financial planning professional gains the client's agreement on implementation of the recommendations and provides the required documentation. The financial planning professional may change the scope of the engagement, as originally defined, based on the agreement reached with the client. The financial planning professional's responsibilities may include: identifying activities necessary for implementation; determining respective responsibilities of the financial planning professional and the client; referring to, and coordinating with, other professionals; sharing client information as authorized; and selecting and securing products and/or services. If there are conflicts of interest, sources of compensation or material relationships with other professionals that have not been previously disclosed, the financial planning professional discloses these to the client. The financial planning professional explains the rationale for referrals and the qualification(s) of the referred professional(s). If a financial planning professional is engaged by the client to provide only the implementation step of the financial planning process, this is clearly defined in writing in the scope of the engagement. This scope may include the extent to which the financial planning professional relies on information, analysis or recommendations provided by others.

**5.2: Identify and Present Product(s) and Service(s) for Implementation**

Based on the scope of the engagement, the financial planning professional identifies and presents appropriate product(s) and service(s) that are consistent with the financial planning recommendations accepted by the client.

**Explanation**

The financial planning professional investigates and recommends products or services that are suitable to the client's financial situation and reasonably address the client's objectives, needs and priorities. The financial planning professional uses professional judgment in identifying the products and services that are in the client's interest. Professional judgment incorporates both qualitative and quantitative information. Solutions identified by the financial planning professional may differ from those of other professionals since more than one product or service may meet the client's needs. The financial planning professional makes all disclosures to the client required by applicable regulations. Recommendations regarding products or services may be presented concurrently with the financial planning strategies and recommendations

## **6. REVIEW THE CLIENT'S SITUATION**

### **6.1: Agree on Responsibilities and Terms for Review of the Client's Situation**

The financial planning professional and client mutually define and agree on terms for reviewing and re-evaluating the client's situation.

#### **Explanation**

The financial planning professional communicates to the client that financial planning is a dynamic process that may require updates due to changes in the client's personal, economic or other conditions. The financial planning professional and the client mutually agree on, and understand, their respective roles, if any, in ensuring that the client's situation is being adequately reviewed. The financial planning professional defines and communicates to the client the nature and scope of the reviewing activities that the financial planning professional will provide. The reviewing process may require the Financial Planning professional to modify the original scope of engagement or initiate a new engagement.

### **6.2: Review and Re-evaluate the Client's Situation**

If conducting a review, the financial planning professional and the client review the client's situation to assess progress toward achievement of the objectives of the financial planning recommendations, determine if the recommendations are still appropriate, and confirm any revisions mutually considered necessary.

#### **Explanation**

The review process may include: confirming that the financial planning recommendations agreed on by the client and the financial planning professional have been implemented; assessing progress toward and achievement of the objectives of the financial planning recommendations to date; re-evaluating initial or subsequent assumptions made by the financial planning professional for reasonableness; determining whether changes in the client's circumstances or objectives require adjustments to the financial plan; and mutually agreeing on any required changes. As circumstances and needs change, a financial planning professional may need to revisit earlier steps in the financial planning process.

## **CFP<sup>CM</sup> CERTIFICATION RENEWAL POLICY AND GUIDELINES ON CE REQUIREMENTS**

### **A. CERTIFICATION RENEWAL AND ONGOING CERTIFICATION REQUIREMENTS**

All CFP<sup>CM</sup> certificants are required to renew their certification annually in order to continue using the CFP marks. To renew their certification, they must maintain technical competence and fulfill ethical obligations. They must complete a minimum of 15 credits of continuing education (CE) every year, in order to stay current with developments in the financial planning profession and better serve clients. Certificants who receive their certification after 1 July may complete a minimum of 7.5 CE credits to meet the renewal requirement for the first year (not applicable to new certificants upgraded from Associate (Graduate) member or Associate Personal Financial Planner (APFP)).

In addition to the annual continuing education requirement, all CFP certificants 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.

With the consent of all CFP certificants, IFPHK is able to disclose CFP certificants' certification status, date of certification, professional standing and history of disciplinary actions as a CFP certificant and the date of ceasing to be a CFP certificant (if applicable) to the public.

#### **Renewal Period**

The one year certification period is by calendar year, from 1 January to 31 December. All current CFP certificants must submit their completed and signed certification renewal application forms with appropriate fees to IFPHK before 31 December each year.

#### **Late Application and Late Fee**

CFP certificants who miss the renewal deadline on 31 December can still apply for renewal before end of February in the following year without seeking reinstatement by paying a late fee of HK\$200.

#### **Current Reinstatement Policies**

- The maximum lapsed period for CFP certification is 2 years with reinstatement fee of HK\$300 for the first year and HK\$600 for the second year.
- For those former CFP certificants who have not reinstated their CFP certifications within 2 years after certification expiration, they will have to retake and pass Paper 4 of the old-structure CFP certification examination within 5 years after certification expiration, and re-submit CFP certification application to IFPHK in order to regain the CFP certifications. (Remarks: Old-structure CFP certification examination will be held for the last time in June 2013. After June 2013, relevant former certificants are required to take and pass the new-structure CFP certification examination (level 2) in order to regain the CFP certification.)
- If the CFP certifications have been lapsed for more than 5 years, the former CFP certificants are required to fulfill all the 4Es requirements again in order to regain the CFP certifications.

Examples on Application of Reinstatement Policies to Current and Former CFP Certificants:

<b>Certification Status</b>	<b>Renewal / Reinstatement Arrangements</b>
Certification will be expired on 31 Dec 2012.	Have to renew the certification by 31 Dec 2012. If the CFP certificant chooses not to renew the certification, the certification can be lapsed till end of 2014, i.e. certification can be reinstated by fulfilling the CE requirement and paying the appropriate fees before end of 2014.
Certification expired on 31 Dec 2011.	Can lapse the certification till end of 2013, i.e. certification can be reinstated by fulfilling the CE requirement and paying the appropriate fees before end of 2013.
Certification expired on 31 Dec 2010.	Can lapse the certification till end of 2012, i.e. certification can be reinstated by fulfilling the CE requirement and paying the appropriate fees before end of 2012.
Certification expired on 31 Dec 2009.	Certification relinquished and have to retake and pass Paper 4 of the old-structure CFP certification exam* by the end of 2014 to regain the certification.
Certification expired on 31 Dec 2008.	Certification relinquished and have to retake and pass Paper 4 of the old-structure CFP certification exam* by the end of 2013 to regain the certification.
Certification expired on 31 Dec 2007.	Certification relinquished and have to retake and pass Paper 4 of the old-structure CFP certification exam by the end of 2012 to regain the certification.
Certification expired on 31 Dec 2006.	Certification relinquished and have to fulfill all 4Es requirements again to regain the certification.

\* Old-structure CFP certification examination will be offered for the last time in June 2013. After June 2013, former CFP certificants will be required to pass the new-structure CFP certification examination (level 2) in order to regain the certification.

**Renewal Reminders and Notices**

Several reminders will be sent to certificants reminding them of renewal and continuing education requirements prior to 31 December.

After the extended renewal deadline on 28 or 29 February, a deficiency notice will be sent to certificants whose renewal applications are outstanding, alerting them that their certifications are being temporarily suspended.

Before the certifications are lapsed for renewal for more than 1 year, a reminder will be sent to urge the certificants to do reinstatement within 1 year after certification expiration.

Before the certifications are lapsed for renewal for more than 2 years, a relinquishment reminder will be sent to prompt the certificants whose certifications are temporarily suspended that failure to reinstate before the next deadline will lead to relinquishment of their certifications.

If the certifications are let to be lapsed for more than 2 years, a notice will be sent to these former certificants that their certifications have been relinquished. They will need to retake and pass paper 4 of the old-structure CFP certification examination\* within 5 years after certification expiration, and re-submit CFP certification application to IFPHK should they want

to regain their certifications.

If the certifications are let to be lapsed for more than 5 years, the former CFP certificants are required to fulfill all the 4Es requirements again in order to regain the CFP certifications.

\* Old-structure CFP certification examination will be offered for the last time in June 2013. After June 2013, former CFP certificants will be required to pass the new-structure CFP certification examination (level 2) in order to regain the certification.

## **B. SUSPENSION OF CERTIFICATION AFTER ANNUAL RENEWAL DEADLINE**

If a completed application is not received before the extended renewal deadline by the end of February in the following year, the CFP certificant will be considered as not having satisfied the renewal requirements and the certification will automatically be suspended. The list of “temporarily suspended CFP certificants” will be posted on IFPHK’s website and published in our official publication for public’s information. IFPHK may take any other actions it deems appropriate.

### **Certification Reinstatement within Two Years of Certification Expiration**

For CFP certificants who want to reinstate their certifications after the renewal deadline and before 31 December of the next year or the year after, they must:

- Submit a completed CFP<sup>CM</sup> Certification Reinstatement Form together with a completed CFP<sup>CM</sup> Certification Renewal Application Form
- Pay appropriate certification fee for the year(s) lapsed
- Pay prevailing 1<sup>st</sup> or 2<sup>nd</sup> year reinstatement fee
- Fulfill the continuing education requirement for the year(s) lapsed
- Continue to adhere to IFPHK’s Code of Ethics and Professional Responsibility

### **Relinquishment of Certification after Two Years of Certification Expiration**

A maximum lapse of two years of the certification is allowed, i.e., till the renewal deadline for third year, before the CFP certification is relinquished.

The list of “relinquished CFP certificants” will be posted on our website and published in the official publication of IFPHK for public’s information. IFPHK may take any other actions it deems appropriate.

### **Certification Reinstatement after Two Years of Certification Expiration**

The former CFP certificants have to retake and pass Paper 4 of the old-structure CFP certification examination\* within 5 years after certification expiration, and re-submit CFP certification application to IFPHK to regain the CFP certifications.

\* Old-structure CFP certification examination will be offered for the last time in June 2013. After June 2013, former CFP certificants will be required to pass the new-structure CFP certification examination (level 2) in order to regain the certification.

### **Certification Reinstatement after Five Years of Certification Expiration**

The former certificants are required to fulfill all the 4Es requirements again in order to regain the CFP certifications.

### **C. VOLUNTARY WITHDRAWAL**

A CFP certificant may declare voluntary withdrawal by submitting a written request to IFPHK any time before the current certification expires.

If such request is not received before the extended certification renewal application deadline, it will be considered as “certification suspension” or “certification relinquishment” unless the reinstatement application is received with all renewal deficiencies being made up beforehand.

Reinstatement of voluntarily withdrawn certifications can be granted by IFPHK if the former certificants choose to do so within the first two years that they withdraw their certifications, and they must:

- Submit a completed CFP<sup>CM</sup> Certification Reinstatement Form together with a completed CFP<sup>CM</sup> Certification Renewal Application Form
- Pay appropriate certification fee for the year(s) lapsed
- Pay prevailing 1<sup>st</sup> or 2<sup>nd</sup> year reinstatement fee
- Fulfill the continuing education requirement for the year(s) lapsed
- Continue to adhere to IFPHK’s Code of Ethics and Professional Responsibility

Reinstatement of certifications is only allowed within the first two years of withdrawal of certifications. After that, the former certificants must retake and pass Paper 4 of the old-structure CFP certification examination\* within 5 years after certification expiration, and re-submit CFP certification application to IFPHK in order to regain the CFP certification. After 5 years of certification expiration, the former CFP certificants have to fulfill all the 4Es requirements again in order to regain the CFP certifications.

\* Old-structure CFP certification examination will be offered for the last time in June 2013. After June 2013, former CFP certificants will be required to pass the new-structure CFP certification examination (level 2) in order to regain the certification.

### **D. CERTIFICATION RENEWAL REQUIREMENTS**

Certificants who cannot comply with the renewal requirements for health reasons or other circumstances beyond their control can submit a written request to IFPHK for consideration. Such requests must include an explanatory letter and all applicable supporting documentation. These cases will be considered by the Board of Directors on a case-by-case basis. Board of Directors may grant an extension of the deadline for fulfilling the CE requirements (i.e. 31 December) for a maximum period of six months.

In the event of hardship, concessionary fees will also be considered upon requests by certificants.

## **E. GUIDELINES ON CONTINUING EDUCATION (CE) REQUIREMENTS**

### **Preamble**

Continuing education (CE) is a form of recertification and is required for CFP certificants to renew their CFP certifications and continue using the CFP marks. CFP certificants must meet the renewal standard of 15 CE credits every year. They are required to retain and provide such records and supporting documentary evidence upon request from IFPHK. These records should be kept for a minimum of three years.

### **Objectives**

1. To maintain, deepen and extend professional competence and technical knowledge;
2. To keep track with the development of financial industry;
3. To acquire the updated knowledge of the trend in financial planning field; and
4. To support financial planners' effort in keeping the professional knowledge up to date.

### **General Guidelines**

- CFP certificants have the obligation to fulfill and maintain CE requirement. If CFP certificants fail to comply with the CE requirement, it may lead to refusal of certification renewal.
- CFP certificants are required to declare meeting the CE requirement upon certification renewal.
- CFP certificants are required to maintain and provide CE records and supporting documentary evidence upon request from IFPHK during the random audit. These records should be kept for a minimum of three years.
- CE credits documentation may be a grade report or transcript for programs involving an examination, or attendance evidence such as certificates issued by the course providers. The certificate of attendance should include: CFP certificant's name, name of program, name of CE sponsor, date of program, location, number of CE credits and signature of sponsor representative.
- In general, for each hour's participation in recognized CE activities, one CE credit can be granted.
- Excess CE credits gained within the year cannot be carried forward to the following year.
- CFP certificants should file the declaration of compliance with integrity. All filings are subject to random audit. Disciplinary actions would be taken upon proof of violations.
- During the audit, randomly selected CFP certificants are required to submit the CE attendance records and supporting documentary evidence that cover the following to IFPHK for assessment and record:
  - ✓ Name of CFP certificant
  - ✓ Name of CE program
  - ✓ Content of CE program
  - ✓ Organizer of CE program
  - ✓ Date of CE program
  - ✓ Number of CE credits or participation hours of each CE program

### Recognized CE Programs

- The programs should be tied directly to professional knowledge, skills and abilities that are covered in the certification process, and be relevant to professional development of a personal financial planner.
- The CE programs should be of significant intellectual and practical content which in general involves interaction with other individuals.
- Content of CE programs should be topics covered in the CFP Certification Examination Syllabus including:

- General Principles of Financial Planning
- Insurance planning
- Risk management
- Investment planning
- Tax planning
- Employee benefits
- Retirement planning
- Estate planning

Programs on communication skills are also accepted. In addition, at least 2 CE credits must be obtained from CE programs on compliance or ethics.

- The programs should be presented in structured format. Structured CE programs include:

- Studies for a relevant post-graduate degree
- Studies for professional qualifications such as:
  - CFA (Chartered Financial Analyst)
  - ChFC (Chartered Financial Consultant)
  - CLU (Chartered Life Underwriter)
  - ACII/FCII (Associate or Fellow of the Chartered Insurance Institute)
  - FLMI (Fellow of the Life Management Institute)
  - CPCU (Chartered Property Casualty Underwriter)
  - LUTCF (Fellow of the Life Underwriter Training Council)
  - CPA (Full Member of Hong Kong Institute of Certified Public Accountants)
  - Member of Hong Kong Bar Association
  - Member of the Law Society of Hong Kong
  - Fellow Member of the Actuarial Society of Hong Kong
- Studies in relevant correspondence (distance learning) courses which require face-to-face participation by the member
- Studies in relevant and well structured online learning courses that require participants to pass a build-in test as one of the completion criteria (For online learning courses, the general rule of one hour participation equals to one CE credit may not be applied)
- Studies in relevant courses offered by universities or other tertiary institutions
- Studies in relevant courses/seminars/workshops offered by professional bodies
- Attending relevant conferences organized by professional bodies
- Writing of relevant technical articles, papers or books
- Working as a lecturer, instructor or discussion leader on a structured CE course (repeated presentations of the course should not be considered for this purpose)
- Preparation of training materials for a structured CE course

- Participation in relevant conferences, briefing sessions, discussion groups or comprehensive research studies
  - Serving as a member of committees and working groups of a professional body or a technical committee of an individual firm in the financial planning field
  - Undertaking technical research in the financial planning arena for a new piece of work provided the research is subsequently applied to an engagement
- 
- CE program presenters should be technically competent.
  - CE program organizers should have good track record of delivering quality programs.
  - Trainings on general management which are not directly related to financial planning will not be considered as recognized CE programs.
  - Programs which do not have proof of attendance or examination record, generally cannot be accepted as CE programs.

Examples:

1. Reading financial press, business or financial literature and professional literature;
2. Subscription to professional or business publications;
3. Self-study, e.g. watching financial related television programs or videos.

#### **F. UPDATES AND CHANGES**

CFP certifiants should observe and follow the current renewal policies and procedures set out in the CFP<sup>CM</sup> Certification Renewal Application Form in use.

IFPHK will review and update the re-certification requirements and policies as and when needed. Therefore, CFP certifiants are advised to closely observe the latest announcements on IFPHK website, and pay specific attention to notices sent to them by IFPHK.



**Institute of Financial Planners of Hong Kong**

**Tel: +852 2982 7888**

**Fax: +852 2982 7777**

**E-mail: [info@ifphk.org](mailto:info@ifphk.org)**

**Website: [www.ifphk.org](http://www.ifphk.org)**