

FPSC Seeks Changes to Certification Process

BY STEVEN LAMB

The Financial Planners Standards Council has released proposed changes to the eligibility requirements for CFP certification, and has called for comment on the proposals. The proposals will have no effect on existing CFPs.

“It’s still the same CFP. The standards haven’t changed; it’s the actual certification requirements that are changing,” says Cary List, CEO and president, FPSC. “The standards and expectations of all CFP professionals are based on the competency profile, and existing CFP professionals are expected to maintain their competence through their own continuing education.”

Among the proposals is a “capstone course” to their programs, which would teach students to integrate all their prior education and put it into practical use.

It could be added to the curriculum of the current education providers and would likely use case studies, where the student would synthesize information from various aspects of the “client’s” life to create a financial plan.

“It is a separate and distinct course that may or may not be offered by existing core curriculum providers,” says List. “Any institution that wishes to offer a capstone course that meets our standards will be entitled to do so whether or not they have a registered core curriculum with us.”

A second proposal would require prospective CFPs to have three years’ work experience, rather than the two-year requirement currently in place.

The FPSC also proposed splitting its traditional six-hour competency exam into two shorter exams, the Professional Competency Examination 1 and 2. This proposal is partly in response to student complaints that the single six-hour exam was a little daunting, especially for students emerging from the required educational programs.

It also allows the FPSC and potential employers to better assess the areas in which a CFP candidate excels or struggles.

“Breaking it down into two pieces really allows us more flexibility in ensuring that we are assessing as much of the competency profile as possible across all domains,” says List.

“The proposals that we are bringing out are consistent with the international standards that are being built. Canada is actually leading the way internationally.”

The proposals are open to public and stakeholder comment until September 23. The new program is expected to be in full effect as of January 1, 2010. List says the next step the FPSC will take is to review continuing education requirements over the coming year.