



20004

**OUR JOURNEY TO A GLOBAL  
FINANCIAL PLANNING PROFESSION**

2014

**OUR JOURNEY TO A GLOBAL  
FINANCIAL PLANNING PROFESSION**

From the idea of a professional practice called financial planning in the early 1970s, to the call for an independent organization to oversee CFP certification internationally in the late 1990s, the road to a global financial planning profession has had many twists and turns over the past five decades, and just as many dedicated travelers.

Financial Planning Standards Board's (FPSB) creation in 2004 was a logical step in the evolution of financial planning and the CFP certification program. What follows is a brief recap of the events that led to FPSB's formation and the organization's first 10 years of operation, from the mouths of those who had a vision for financial planning's future and who worked doggedly to make that vision a reality.

This brief history is a chance for us to recognize those who advocated early for a new structure for the CFP marks' international oversight, the many dedicated volunteers and staff who burned the candle at both ends to create FPSB, and FPSB's member organizations for their financial and moral support, without which we could not have achieved our success to date.

But as George Bernard Shaw said, "We are made wise not by the recollection of our past, but by the responsibility for our future." As FPSB celebrates its 10-year anniversary in December 2014, we invite you to join us for a short walk down memory lane – a journey not just to focus on our past and accomplishments to date, but to give us perspective for the road ahead and the will to accomplish even greater things in the years to come.



Noel Maye, FPSB Ltd. CEO

<b>1</b> 1973-1999 A Natural Evolution <b>PG 2</b>	<b>8</b> 2004 Price Tag Help <b>PG 40</b>	<b>15</b> 2009 Achievements and the Road Ahead <b>PG 74</b>
<b>2</b> 2000-2001 A New Century, A New Direction <b>PG 6</b>	<b>9</b> 2004 Negotiating a Loan <b>PG 44</b>	<b>16</b> 2010 Positioning for Global Recognition <b>PG 78</b>
<b>3</b> 2001-2002 Restructuring Leads to New International Entity <b>PG 16</b>	<b>10</b> 2005 Getting Underway <b>PG 50</b>	<b>17</b> 2011 Building on Momentum <b>PG 88</b>
<b>4</b> YEAR-END 2002 A Name, a Board, and a Staff <b>PG 22</b>	<b>11</b> 2006 Moving Forward <b>PG 56</b>	<b>18</b> 2012 Engaging the Middle East <b>PG 96</b>
<b>5</b> 2003 An Optimistic Beginning <b>PG 26</b>	<b>12</b> 2007 Standards Work Forges Ahead <b>PG 60</b>	<b>19</b> 2013 Taking Stock, Moving Forward <b>PG 108</b>
<b>6</b> 2003 Unexpected Detours <b>PG 30</b>	<b>13</b> 2008 FPSB Adopts Global Standards <b>PG 64</b>	<b>20</b> 2014 Marking a Decade of Excellence <b>PG 120</b>
<b>7</b> 2004 Still Grounded <b>PG 36</b>	<b>14</b> 2009 A Five-Year Milestone <b>PG 70</b>	<b>Timeline PG 130</b> <b>FPSB Board and FPSB Council PG 136</b> <b>Thank You PG 144</b>

1973–1999

# A Natural Evolution

The first CFP professionals appeared on the world stage in 1973, when 42 individuals graduated from the U.S.-based College for Financial Planning in Denver, Colorado.

Committed to a process that considered all aspects of a client's life and financial situation, these pioneers spread the word of a new profession called financial planning, and by 1985, there were an estimated 10,000 CFP professionals in the United States. That year, the College, with support from the Institute of Certified Financial Planners (a U.S. membership group), formed a new organization to own the CFP certification marks and set standards for CFP professionals in the areas of education, examination, experience and ethics. Called the International Board of Standards and Practices for Certified Financial Planners Inc. (IBCFP), the organization was renamed Certified Financial Planner Board of Standards Inc. (CFP Board) in 1994.



Almost from the beginning, financial advisers from other countries took note of the young profession, and soon an Australian organization, the International Association for Financial Planning (IAFP Australia), expressed a desire to grant CFP certification to its members who had completed education and examination requirements. The IBCFP, which by now owned the CFP trademarks in the United States, in Australia and in several other countries around the world, entered into negotiations with the Australian group and two years later, in 1990, signed a license and affiliation agreement with IAFP Australia. With the agreement in place, IAFP Australia, today known as the Financial Planning Association of Australia Ltd. (FPA Australia), became the first organization outside the United States authorized to grant CFP certification to qualified financial planners who met standards similar to those of CFP Board.

In 1992, the Japan Association for Financial Planners (JAFF) became the second organization to sign a license and affiliation agreement with IBCFP. JAFF was followed by financial planning organizations in the United Kingdom, Canada, New Zealand, France, Germany, South Africa, Singapore and Switzerland. By the end of the 20th century, there were 52,723 CFP professionals around the globe, and 18,067 were outside the United States.

Each financial planning organization outside the United States established and administered a CFP certification program based on the U.S. model. CFP professionals, no matter where they lived, were required to meet initial education, examination and experience requirements, abide by a code of ethics, and meet continuing competency requirements. Within these parameters, specific requirements could be adjusted to accommodate cultural, educational or regulatory differences in a territory.

To oversee these international activities, the IBCFP (later CFP Board) established a subsidiary Board of Affiliated Associations, renamed the International CFP Council in 1994. The Council was structured as a forum for members to meet biannually, discuss common issues, and recommend globally consistent financial planning standards and cooperative policies to promote the CFP marks. Each member organization (called an Affiliate) sent representatives to the Council, with the chairperson's position held by the outgoing chairperson of CFP Board. As a subsidiary of CFP Board, the International CFP Council's recommendations were subject to ratification by CFP Board's Board of Governors.

By 1995, two CFP Board employees were charged with managing trademark and international activities, and in 1997, the first director of international operations was hired to run a small international department out of CFP Board's headquarters in Denver. Not everyone at CFP Board supported these international activities, however. Some Board members even talked of disbanding the international effort, citing its expense and its distraction from the organization's domestic priorities. As early as 1993, the issue was broached at a strategic planning session in Denver.

Tim Kochis, CFP, who later would serve on FPSB's first Board of Directors, was treasurer of the U.S. organization that year. "I argued that abandoning our international efforts was absolutely the wrong thing to do at the very time when the world was becoming more connected," he said in 2009. "I felt that anyone involved in commerce and the professions should have an international presence. The argument won the day, and we never looked back."



**"I argued that abandoning our international efforts was absolutely the wrong thing to do at the very time when the world was becoming more connected. I felt that anyone involved in commerce and the professions should have an international presence. The argument won the day, and we never looked back."**

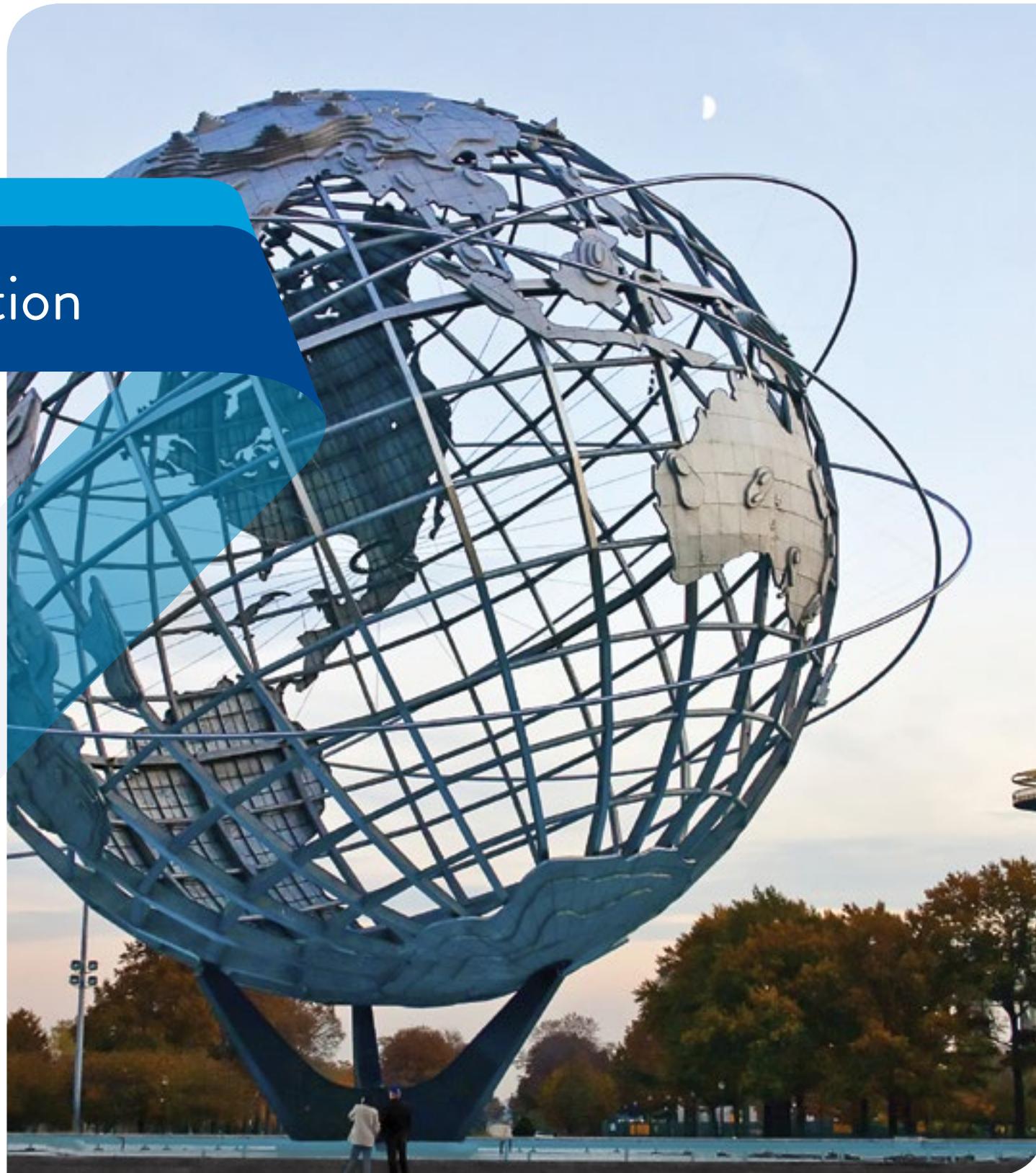
Tim Kochis, CFP, 2005 FPSB Board Chairperson

2000–2001

## A New Century, a New Direction

As the 20th century drew to a close, it was becoming increasingly apparent that the structure of CFP Board’s international operation needed re-evaluation.

The Affiliates, with their number of CFP professionals growing at a faster rate than in the United States, began asking for more independence and more influence over the CFP certification program. “The International CFP Council might debate an issue of importance to countries outside the United States and arrive at a consensus, yet the ultimate approval of that decision rested with CFP Board’s governing body,” explained Noel Maye, who at the time was director of public affairs at CFP Board and later became FPSB’s chief executive officer. Affiliates also asserted that having the CFP certification controlled by a U.S. organization made it more difficult to promote the credential in some parts of the world. Several Affiliates suggested the solution: a new international entity to oversee the globalization of CFP certification and financial planning.



CFP Board, meanwhile, was committed to an international presence, but had a full plate of domestic issues. CFP Board's governors tended to view the International CFP Council's activities as an "interesting sideshow, but more of a footnote to the Board's activities than a central focus," according to Kochis. The ongoing expense of the international operations also factored into CFP Board's thinking. Although the Affiliates paid fees to CFP Board, the money did not cover all the legal and operating costs, and shortfalls were picked up by the parent organization.

Back in 1996, following one of the early discussions about independence, Kochis set out CFP Board's parameters for any negotiations with the Affiliates. (At the time, Kochis had completed his term as president of CFP Board and was the automatic chairperson of the International CFP Council.) In a memo written to International CFP Council members that October, Kochis wore his attorney's hat as he expressed the Board's desire to "avoid a unilateral formulation of the Council's future," and placed the task of proposing any new arrangement in the Council's lap. He pointed out, however, that as the then sole owner of the CFP marks worldwide, CFP Board would insist on certain "non-negotiable" terms. They were:

- Any transfer of ownership of the marks would be limited to territories outside of the United States;
- CFP Board would retain a permanent right of reversion in the marks in the event of any default on the part of the Council;
- The Council would pay CFP Board a perpetual annual royalty or some similar consideration for transfer of the marks to the Council;
- An independent secretariat would be permanently domiciled in the United States;
- English would be the sole official language of the Council's official record;
- Voting by Affiliates would be done on the basis of proportional representation of CFP professionals; and
- Affiliates, including the United States, would pay fees to the Council to support its operations and expenses in protecting the marks.

Although Kochis explained that these parameters were designed to provide the Council with "permanence," "sovereignty" and "responsibility commensurate with rights," the memo met with resistance. Some Affiliates thought that CFP Board was being too heavy-handed. They pointed out that the Affiliates had played a role in increasing the value of the CFP marks around the world, and several Affiliates began efforts to place a monetary value on the marks in their territories to demonstrate the contribution of the international effort to the value of the marks owned by CFP Board.

During this period, Ray Griffin, CFP, emerged as a vocal proponent for greater independence. As chairperson-elect of FPA Australia, he had attended his first International CFP Council meeting in 1999 in Paris and came away from it "distinctly unimpressed," he recalled in 2009. "The Council had good intentions, but no decision-making ability. Any resolution it passed had to be put up for a vote at CFP Board in the United States. I felt strongly that we needed to be independent, and several of us started pushing for that result."

A year later, at a Council meeting in Cape Town, South Africa, the Council assembly passed a resolution to seek independence. "The resolution seemed to take some at CFP Board by surprise," Griffin said. "'Why would you want to do that?' they asked. But other Board members got it right away. They were visionaries who realized that if we were truly going to be a global profession, we could not continue to be run by one country."

John Carpenter was chairperson of Canada's Financial Planners Standards Council in 2000-02, and represented the Canadian organization on the International CFP Council during that time. "There was tension over the control of a global profession by one country's organization, but there also were many at CFP Board who agreed that we needed an independent entity to create a genuinely global profession," he said. "The question became what should the strategy be to get us there?"

Harold Evensky, CFP, who had chaired CFP Board's Board of Governors in 1998-99, was the automatic chairperson of the International CFP Council in 1999-2000. He asked Council members to begin heading various committees and to assume more responsibility for tasks that previously had been handled by CFP Board's staff. "If Council members wanted to lead, they needed to step up and start heading some of these committees," Evensky said.

“I asked the tough questions that had to be answered,” he continued. “How would a new independent organization support itself financially? How would it govern? How would it protect the CFP marks?” Evensky engaged with the Council to lay the groundwork for what had to be done, knowing that it would take a lot of work.

“We even talked about what we would do if CFP Board would not be a party to independence, including breaking away and setting up our own organization,” Griffin recalled.

Two months later, at a meeting in New Zealand, the topic of independence came up again, and Griffin encountered strong opposition from several CFP Board members. “We were steamed up after the New Zealand meeting and determined to get this resolved,” he later said.

Elaine Bedel, CFP, was one CFP Board member who had reservations. An Indiana planner, she was chairperson-elect of CFP Board at the time and would later serve on the first FPSB Board of Directors. “2001 was a rough year for me,” she said. “I was wearing my CFP Board volunteer’s hat during many heated discussions with the International CFP Council, and I often had to present the arguments against moving forward with internationalization because at that stage, CFP Board had too many unanswered questions.”

When Council members demanded independence, Bedel reminded them of a central issue that had to be resolved: The CFP marks had value, and CFP Board owned them. Why would CFP Board want to give them away? She also challenged the Council on questions of governance and financing, noting that CFP Board had always underwritten a significant part of the international operation’s expenses, and that the legal costs alone of supporting and defending the marks could be substantial.

“There were lots of ideas on how independence could be achieved, but there were also stumbling blocks,” she said. Nevertheless, Bedel recognized the importance of the effort. “If we didn’t move forward, then there would be a void left for some other organization to take up the role of global standards-setter for the financial planning profession.”

Patti Houlihan, CFP, who chaired CFP Board’s governing body in 2000-01 and followed Evensky as chair of the International CFP Council in 2001-02, was determined to

win over CFP Board leaders by building a stronger sense of camaraderie with the international representatives. “I wanted CFP Board to realize that these leaders were just as passionate about the CFP marks in their countries as we were in the United States,” she said. And, she wanted to start sharing a vision of a new international entity that would hold the CFP marks “like the sun, with member organizations, including CFP Board, revolving around it.”

In February 2001, Houlihan, now at the helm of the International CFP Council, convened an Independence Strategic Planning Task Force made up of Griffin, Carpenter and Nicolas Koechlin of the Swiss Financial Planners Organization. She charged the task force with finding an amicable way for the Affiliates and CFP Board to resolve the question of independence and internationalization of the CFP marks.

Houlihan invited Griffin, Carpenter and Koechlin to make a presentation to CFP Board that May in Denver. In their report, the three men recommended that a joint task force of CFP Board and the International CFP Council be created to start work on establishing



**“[I had] a vision of a new international entity that would hold the CFP marks like the sun, with member organizations, including CFP Board, revolving around it.”**

**Patti Houlihan, CFP, 2000-01 International CFP Council Chairperson**



**“We acknowledged to our American colleagues that we were asking them to do something that might seem nonsensical to some of them, but at the same time, they needed to understand that we had to have control of our own destiny.”**

Ray Griffin, CFP, 2003 International CFP Council Chairperson

a new entity as the international standards-setting and certifying organization for the CFP marks. Years later, Griffin remembered the presentation:

“We acknowledged to our American colleagues that we were asking them to do something that might seem nonsensical to some of them, but at the same time, they needed to understand that we had to have control of our own destiny. We told CFP Board that, like a parent allowing a child to leave the nest, the idea could seem frightening. But just as the 13 American colonies broke away from their mother country and succeeded, so would we.

“We also explained why the current structure had become an impediment to growth, particularly in some European countries, which saw the CFP marks as an American credential. We asked the question we often heard, ‘How could an international profession be controlled by one country?’ And, we promised that we would take great care of CFP Board’s baby - the CFP marks. We knew this was a major change of direction for CFP Board, but we also needed them to know that we were deadly serious and ready to knuckle it out if need be.”

No knuckles were required - the presentation was a success. “I knew we had found friendly ears at CFP Board when we saw Patti Houlihan marching toward us after the meeting with the verdict and an enormous grin on her face,” Griffin recalled. (The “verdict” Griffin referred to was CFP Board’s willingness to move forward with discussions about an independent international structure, while leaving open the details and timeline for implementation.)

Maureen Tsu, CFP, was on CFP Board’s Board of Governors that year. (She later served on the first FPSB Board of Directors and chaired the Board in 2004.) “John, Ray and Nicolas



gave a wonderful presentation that really fueled the movement to take the CFP marks global," she said in 2009. "It made those of us at CFP Board start looking at things differently, and in the ensuing months, international issues became a big part of our agenda."

For Tsu, the international Affiliates held particular interest. Born to Chinese parents, she was raised in South Africa, lived and worked in California, and had family in London, Chinese Taipei and Australia. "I knew that financial planning was not unique to the United States, even though we had led it to where it was now and other countries looked to us for leadership," she said. "As the need for financial planning grew around the world, the need was also growing for an international organization to govern the CFP marks and to develop universally recognized standards for financial planning. We needed to move away from U.S. dominance when it came to defining the global profession."

Shortly after the May meeting, one specific request of the International CFP Council that was approved by CFP Board was to allow Council members to begin electing their own chairperson rather than have the position go automatically to the previous year's chairperson of CFP Board. With this change, Houlihan became the last appointed chairperson. The next year, Ray Griffin was elected the first non-U.S. chairperson of the International CFP Council.



**"I loved working with the FPSB team. Together, our 'dream team' charged down the path of success, creating a strong organization and developing excellent standards. While there's plenty more to do - from implementing the standards and developing a stronger presence globally to challenges we have not even thought of - FPSB truly is a success story!"**

**Nicolas Koechlin, CFP, 2003-2005 FPSB Board Member, Chief Executive, Swiss Financial Planners Organization**

2001–2002

## Restructuring Leads to New International Entity

Following the Denver presentation, work on restructuring international operations began in earnest when a CFP Board/International CFP Council Joint Task Force on Internationalization was named “to promote and strengthen the quality of financial planning services and the CFP certification process through the continued internationalization of the CFP trademarks.”

Headed by Rebecca Roloff from CFP Board’s governing body, the task force members also included CFP Board governors Bedel and Ellyn Brown, and Griffin, Carpenter, Koechlin and CFP Board chief executive officer Lou Garday. Houlihan observed as chairperson of both CFP Board and the International CFP Council, and CFP Board provided staff support.



In a 2001 CFP Board Report article, Griffin explained the task force's challenge. "The members of the task force are working with CFP Board to do what is right for all CFP professionals," he said. "It is crucial that CFP Board and its international Affiliates have in place a structure that can support the growth of a community of financial planners united around the common standards of the CFP marks."

That September, CFP Board formally approved the task force's proposal for a new international entity, followed by an endorsement in October by the International CFP Council of the "intent, spirit and principles of the report."

"A restructuring process is the next logical step in the internationalization of the CFP certification marks," said CFP Board's chief executive officer, Lou Garday. "All good ideas eventually get internationalized, and the CFP marks are no exception."

At the International CFP Council's request, CFP Board drafted a Memorandum of Understanding for Affiliates to sign. The MOU stated that CFP Board and members of the International CFP Council would begin the process of forming a "new international entity" (NIE) as the worldwide standards-setting and certifying body for the CFP marks. Under the terms of the memorandum, the NIE would be formed on or before 1 January 2003. The MOU also stated that CFP Board would underwrite the operating expenses of the NIE until "both the fiscal benchmark [reserves equal to approximately one year of operating expenses] had been achieved and the NIE had been in existence for five years." In addition, CFP Board agreed to provide staff services to the NIE on a cost reimbursement basis during the transition period.

By February 2002, a CFP Board/International CFP Council Transition Task Force began meeting. Bedel, Brown, Carpenter, Griffin, Koechlin, Garday and Houlihan continued their service on the new task force. They were joined by CFP Board governors Rick Adkins, CFP, Joanne Bickel, CFP, Barry Barbash and Suzue Sato Johnson from JAFP. CFP Board again provided staff support.

Bedel, now chairperson of CFP Board's governing body and a member of the joint task force, explained the move to U.S. CFP professionals in a 2002 CFP Board Report article. "We felt that the structure CFP Board developed in 1990 to handle international demand for the CFP marks needed re-examination, given the growth we have experienced," she said. She noted that the number of planners with CFP certification

outside the United States had grown from 76 a decade earlier to more than 30,000 in 2002, and the number of Affiliates had expanded from two to 17.

Throughout 2002, the joint task force (renamed the New International Entity Task Force and chaired in 2002 by Adkins) continued efforts to create a new structure to oversee CFP certification worldwide, following an outline approved by CFP Board in which the latter would continue to administer the CFP marks in the United States, and shift responsibility for the CFP marks internationally to the new entity.

In 2009, Bickel explained the task force's early thinking. "Originally, the idea was to create a drop-down entity from CFP Board," she said. Under this plan, the International CFP Council would become associated with a new international entity, which would receive financial support from each Affiliate, including CFP Board.

By May, however, CFP Board's outside legal counsel began to raise concerns about how the NIE should or could be structured, and how CFP Board could transfer marks ownership to the NIE without running afoul of tax and trademark laws. Still, the task force pressed on.



**"We felt that the structure CFP Board developed in 1990 to handle international demand for the CFP marks needed re-examination, given the growth we have experienced."**

**Elaine Bedel, CFP, 2006 FPSB Board Chairperson**

“The task force has a lot of work to do to flesh out how this new international entity will be formed and how it will operate,” said Adkins, chairperson-elect of CFP Board’s Board of Governors and NIE Task Force chairperson, in a 2002 CFP Board Report article. “What we do know is that our international Affiliates are ready to step forward and assume management responsibilities for the CFP certification program internationally, allowing CFP Board to focus more of its efforts on domestic issues. There will be a transition period during which CFP Board will ensure that certain requirements are met.”

“It seemed so simple at first,” added Bickel, in summing up the vision of an overarching body that would link member organizations around the world. “Then it got very complex. There were difficult birthing pains, and it took a long time to find a solution.”



“It is an honor to have been on the team that shared the vision of what FPSB could be. I am impressed with its growth and overwhelmed that it has become the global standard for CFP professionals worldwide in such a short time. Every citizen needs financial planning provided by a professional who possesses the highest standard of ethics and places their client’s interests first. Through its members, FPSB has - and will - play an enormous role. Congratulations!”

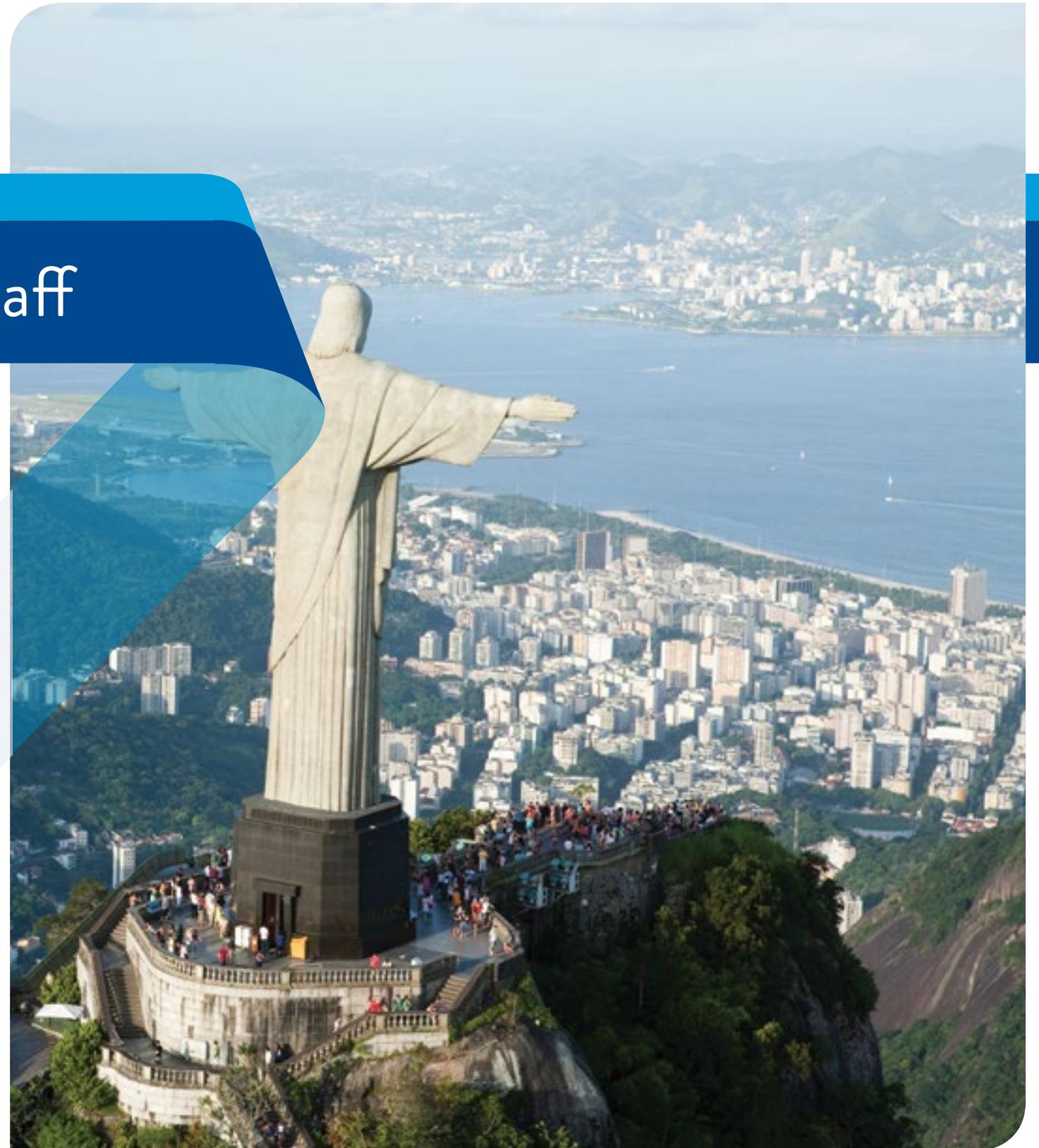
Suzue Sato, NIE Task Force Member, 2005-2007 FPSB Board Member

YEAR-END 2002

# A Name, a Board, and a Staff

During 2002, a separate task force made up of CFP Board staff and International CFP Council representatives worked with a Canadian branding agency to provide the new international entity with a name: Financial Planning Standards Board Ltd. (FPSB).

The name was announced at a meeting of the International CFP Council in Rio de Janeiro, Brazil, in October, along with a structure for the FPSB Board of Directors, the FPSB Council and staff. Carpenter was one of the presenters at the Rio meeting. "I was surprised at how easy it was to sell the concept of FPSB to financial planning bodies from around the world. We spent a lot of time looking at budgets and other details, but everybody bought into the vision and the end goal. They saw why FPSB should exist. The hard part was the logistics of how to do it."



Under the plan, the International CFP Council would be renamed the FPSB Council and would act as the advisory body to a 10-member Board of Directors, which would be the policy-setting and oversight body for FPSB. CFP Board would elect five of the members of the FPSB Board of Directors; three would be selected from representatives put forward by the FPSB Council; FPSB's CEO would serve *ex officio* as a non-voting director; and the final seat would go to the chairperson of the International CFP Council. Except for the Council Chairperson seat, which was a one-year *ex officio* term, terms for voting Board members were three years staggered to ensure that no more than one third of the Board rotated off in any given year.

"Because we thought at the time that CFP Board would continue to underwrite the budget shortfalls of FPSB in its start-up years, it seemed only fair to give CFP Board five board seats in return," Bedel explained. Added Tsu, "We also wanted to have some FPSB Board members from the United States to provide continuity and to serve as liaisons to CFP Board."

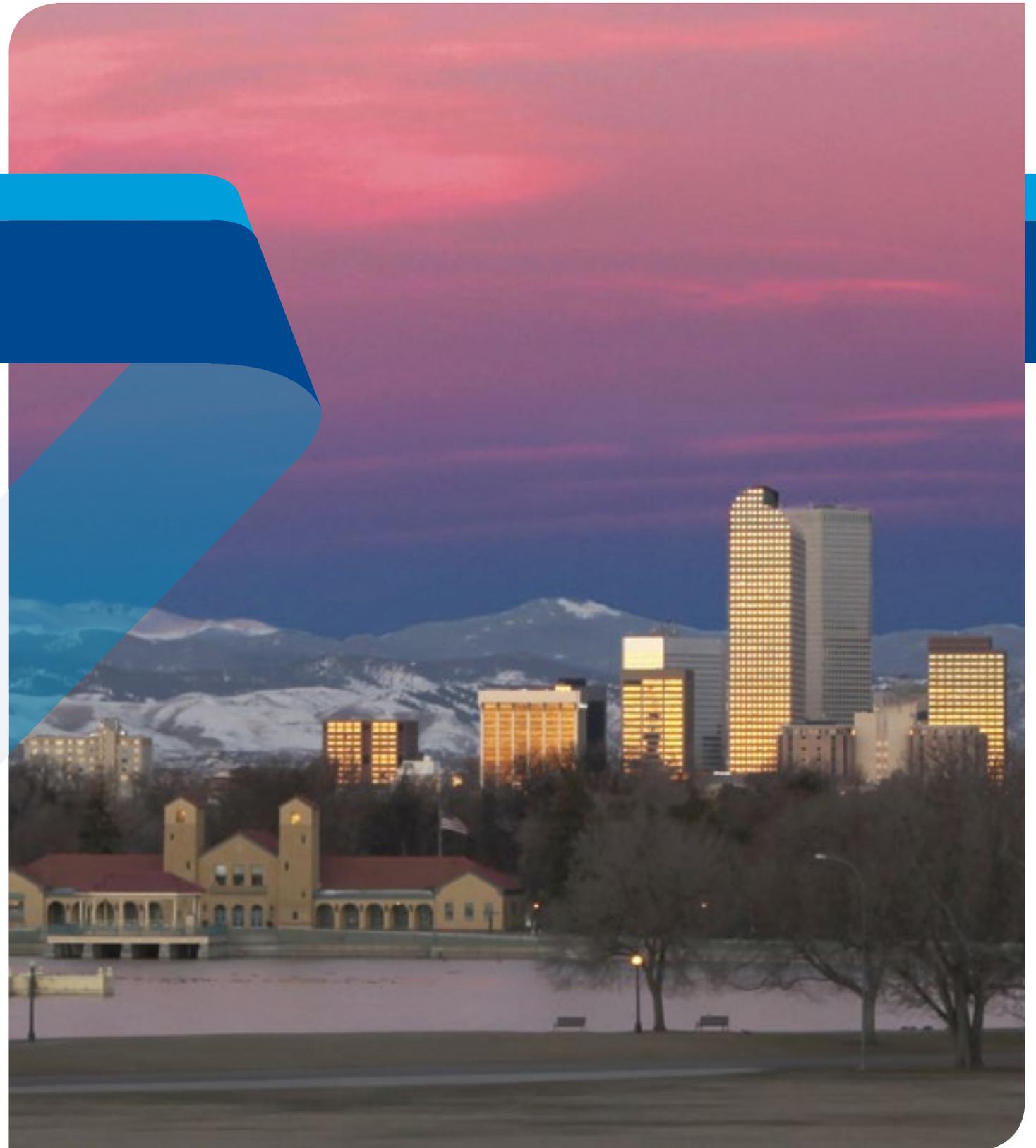
2003

# An Optimistic Beginning

FPSB's Board of Directors held its inaugural meeting on 7 - 8 January 2003, in Denver, Colorado, parallel to CFP Board's regularly scheduled Board meeting. Expectations ran high that the new organization would soon be fully launched.

Carpenter was elected the first chairperson of FPSB. He had served as chairperson of Canada's Financial Planners Standards Council (now Financial Planning Standards Council) and was executive director and CEO of the Certified General Accountants Association of Alberta.

"When I was asked if I would run for chairperson, I said yes," Carpenter later recalled. "I was passionate about the idea of a global profession under the umbrella of one international organization. But I didn't run on the platform of being a non-U.S. citizen, although others may have felt that was important."



Tim Kochis, a San Francisco, California, financial planner, was one of those who thought that someone other than an American should initially head the new organization. "I was interested in the chairperson position, but I withdrew in favor of John because I believed that the first Board chairperson should not be an American - after all, the whole idea was for FPSB to become independent of the United States," he later said. Kochis eventually served as the third chairperson of FPSB in 2005.

FPSB also named Noel Maye to the post of chief executive officer. An Irish national who had lived and worked in various countries before coming to the United States, Maye had held several management positions at CFP Board, including senior vice president with responsibility for the international CFP certification program and International CFP Council. In that capacity, he knew the international group well, and they knew him. The vote to offer him the job was unanimous.

"Hiring Noel might have been the best decision we made," Carpenter later said. "He took the helm of an organization with no resources, limitless expectations from around the world and a very difficult transition period. Yet through it all, he was unflappable."

Griffin added in 2009, "The Irish part of Noel knew how to ask the tough questions, but he also could be a diplomat, run a business and manage finances. He was a natural for the job."

There was one glitch, however. In 2003, as the FPSB Board finalized the organization's structure and the internationalization of the CFP marks, FPSB did not yet have any source of revenue to carry out its work or pay its two part-time staff - Maye and his assistant, Kati Stenger - on loan from CFP Board. Under a contract agreement with CFP Board, FPSB received a line of credit to support its operations while the new organization got underway, and provided Maye and Stenger with office space at CFP Board's Denver headquarters.

At the January meeting, the Board of Directors noted that numerous issues remained to be resolved, including governance policies, financing, standards development, assessment tools, committee structures and the role of the FPSB Council. Nevertheless, the Board still expected an official launch of the organization by late 2003. That date, however, proved to be overly optimistic.



- John Carpenter is FPSB's 2003 Board Chairperson
- FPSB's Board of Directors includes: Maureen Tsu, CFP (Chairperson-elect), Joanne Bickel, CFP, Noel Maye, FPSB CEO, Elaine Bedel, CFP, Louis Garday, Raymond Griffin, CFP, Tim Kochis, CFP, Nicolas Koechlin, CFP, and Ian Middleton, CFP

2003

2003

# Unexpected Detours

The issues laid out by FPSB's Board of Directors in January 2003 were not quickly resolved. As Carpenter put it later, "It was like designing the United Nations from scratch."

Adding to the complications was a new concern raised in early 2003 - the tax status of the two organizations. CFP Board had been incorporated in 1985 as a 501(c)(3) organization, which gave it favorable tax treatment as a public-interest institution. When FPSB was incorporated in the state of Delaware that April, it was designated a 501(c)(6) professional membership association by the U.S. Internal Revenue Service.<sup>1</sup>

The challenge: How to get the CFP marks transferred from CFP Board to FPSB without creating tax issues for CFP Board. All parties in the transaction agreed that CFP Board's 501(c)(3) tax status should not be jeopardized during the

<sup>1</sup> 501(c)(3) and 501(c)(6) are sections in the U.S. tax code that pertain to nonprofit organizations.



transfer of the CFP marks, and that meant the transfer had to be conducted as an “arm’s length” transaction.

“Negotiations throughout 2003 and 2004 were difficult at times because CFP Board’s legal constraints overshadowed what we were trying to accomplish,” Carpenter said. “I’ve worked on many deals for major corporations, but I’ve never seen a situation where the legal positions so thoroughly overrode the vision for the business being created.”

From her vantage point on FPSB’s Board of Directors, Tsu acknowledged the constraints. “A 501(c)(3) nonprofit organization is bound by lots of rules and regulations, so that became a key issue,” she said later. “We could not jeopardize CFP Board’s tax status in any way, which made the transaction more complicated because we had to consider the 501(c)(3) implications at all times.”

Kochis was also on FPSB’s Board of Directors at the time. “The agreement was extremely legalistic, which resulted in added costs and difficulty,” he said in 2009. “As the acquirer of the marks, FPSB was obligated to pay a large portion of the legal fees, but we did manage to put a cap on our share - a total of US\$350,000.”

To help the process move forward, FPSB assigned a negotiating team to work with CFP Board and its attorneys. Carpenter and Maye, as chairperson and CEO respectively, were named to the team, along with Kochis, whose background as an attorney and prior service at CFP Board made him a logical choice. “John, Noel and I each took pieces of the job and were free to work out details with CFP Board, knowing that we were in complete agreement with one another on the crucial terms,” Kochis later said.

“The trio balanced one another,” Tsu added. “Noel provided the glue and was our great communicator. When someone got frustrated, he would see a way out. Tim took a broad view of financial planning and was committed to the idea that the CFP marks should be internationalized. He was an optimist with a can-do attitude. John made sure the ‘Ts’ were crossed and the ‘Is’ dotted, and that we considered even the worst-case scenario.”

In July 2003, FPSB signed a confidentiality statement with CFP Board, and the negotiation teams began to meet. CFP Board’s negotiation team started out with board members Adkins and Dave Diesslin, CFP, supported by interim CEO Gary Diffendaffer,

CFP, with Adkins replaced by CFP Board governor Bart Francis, CFP. FPSB’s negotiation team remained the same throughout the talks.

During that summer, CFP Board’s attorneys also determined that the organization would have to sell the CFP marks and international operation to FPSB at fair market value. As a 501(c)(3) charitable organization, CFP Board was not permitted under U.S. tax law to transfer assets to a non-charitable 501(c)(6) membership organization for anything other than fair market value.

The announcement took several by surprise, including Carpenter. “Originally I thought that CFP Board would transfer the marks to FPSB at no cost, but then we learned that there would be the need for a very substantial check,” he said. “I understood the reasoning behind the decision, but I was very disappointed.”

By August, CFP Board, in response to advice on various tax and legal issues, made additional decisions: It would not become a member of FPSB and would have no

*Everybody bought into the vision and the end goal. They saw why FPSB should exist. The hard part was the logistics of how to do it.”*

– John Carpenter, 2003 FPSB Board Chairperson



obligation to financially or otherwise support the new organization. That month, it extended the amount of its line of credit to support FPSB functioning for the final time.

While FPSB understood the legal rationale of the decisions, the withdrawal of CFP Board's financial support raised concerns. Without the U.S. organization's safety net, could FPSB survive? Would it have the financial resources first to buy, and then to protect, the CFP marks outside the United States? Could it fulfill the public's expectations for quality and enforcement?

Tsu said that FPSB's Board of Directors "kept plugging along, even though some of us had doubts at times if we could make it. We had a mission and there was never a total breakdown of communication with CFP Board, so we kept moving forward cautiously but optimistically." Added Carpenter, "As they say, what doesn't kill you makes you stronger."

Along with Bickel, Bedel had the dubious distinction of simultaneously serving on the boards of both organizations that year. "It got contentious at times, and put those of us who were CFP Board and FPSB Board members in an awkward situation," she recalled. "I remember several CFP Board meetings when Elaine and I would leave the room when international issues were discussed," added Bickel.

After the last official meeting of CFP Board in 2003, Bedel and Bickel both resigned so they could focus on FPSB without concern of a conflict of interest. "Elaine's and Joanne's fundamental values never changed," Carpenter said in 2009. "Both just started working

on behalf of a different organization, which was a great thing. Their involvement, along with others like Tim and Maureen who also came to our side from CFP Board, helped me feel like we were doing the right thing."

In November, CFP Board and the International CFP Council met in Philadelphia. It was Griffin's last official function as Council chairperson. A history buff, Griffin and his family had visited the Liberty Bell the afternoon before his farewell speech.

That evening, speaking before the assembled group, he used the Liberty Bell to underscore again why independence was so important to the international Affiliates. The Liberty Bell, he reminded them, proclaimed "liberty throughout all the Land unto all the inhabitants thereof" (Leviticus 25:10). He quoted from American patriots who heralded the birth of a new nation "dedicated to the proposition that governments derive their just powers from the consent of the governed."

In 2009, Griffin observed, "I've kept my handwritten notes from that evening as a warm reminder that we pursued a just cause, that we did good work, and we were eventually successful."

2004

## Still Grounded

As 2004 dawned, FPSB was still not off the ground. As Maye put it, “We had been ‘unlaunched,’ so to speak, in 2003. For 23 months - from January 2003 to December 2004, we had a bold vision, a shell corporation, a Board of Directors and a part-time staff of two. But we had no money, no certification program and no CFP marks. Those were 23 character-building months.”

The budget was tight, to say the least. As Carpenter put it, “It took skill and dedication to keep FPSB going. Noel ran it on the cheap.”

At a meeting of the International CFP Council in Kuala Lumpur, Malaysia, in April, FPSB did not have



enough money to send everyone on the Board of Directors to the meeting. Tsu recalled that only she, Carpenter, Kochis and Maye were able to attend. At another point she said that FPSB had no funds at all and could not even pay for directors and officers liability insurance. Kochis paid the premium with his personal funds until FPSB could repay him.

Even the office situation was awkward. Maye and Stenger had been housed at CFP Board, but were isolated from the parent organization's activities, while Maye still had oversight of CFP Board's international program. When it was finally time for FPSB to find its own office space in mid-2004, Denver was the logical location. "Half of the CFP professionals in the world were in the United States, and we were taking a program global that had existed for years at CFP Board, so it was important to stay connected to the United States," Maye explained.

As FPSB cut its support lines with CFP Board, the organization was also working out the details of its governance model. Carpenter, who chaired FPSB's Board of Directors in 2003, supported a governance model that clearly delineated the work of the board and management, and focused on how FPSB would meet its obligations to both the public (its "owners") and the Affiliates (its Members). "The Affiliates took a leap of faith to



**"...we had a bold vision, a shell corporation, a Board of Directors and a part-time staff of two. But we had no money, no certification program and no CFP marks. Those were 23 character-building months."**

Noel Maye, CAE, FPSB CEO



- Maureen Tsu, CFP, is FPSB's 2004 Board Chairperson
- At its launch, FPSB had 17 Members, nine of which had been offering CFP certification for a decade or more

2004

adopt FPSB's governance model and it's worked out well for us over the years," he later said.

Another issue FPSB had to deal with was how Affiliates, with very different numbers of CFP professionals in their respective territories, would have a voice and voting rights within FPSB. As the three Affiliates outside of the U.S. with the largest number of CFP professionals, FPSB's member organizations from Australia, Canada and Japan would pay the lion's share of FPSB's operating expenses. In return, the three Affiliates asked for guaranteed seats on FPSB's Board of Directors. FPSB agreed, giving the three Affiliates dedicated seats on the Boards of Directors during FPSB's start-up phase. Affiliates received voting rights within FPSB commensurate with their fee contribution to FPSB, which was based on the CFP professional population in each territory.

2004

# Price Tag Help

Throughout 2003 and early 2004, FPSB and CFP Board negotiated the structure of the new organization and terms of the sale while they waited for two independent appraisal firms to value the international CFP marks in 36 territories outside the United States.

The appraisal firms considered the growth and risk potentials for the marks in each territory and overall. They agreed that the marks represented a strong brand for the ethical and competent practice of financial planning. At the same time, they noted that if the marks' integrity were not defended, they would lose value. Further, there was greater risk of this happening in territories outside of the United States where the marks were not as well established.

In 2004, the appraisal firms arrived at a value that was accepted by FPSB. The bottom line: The value of the CFP marks and international



operation, combined with legal costs of US\$350,000, CFP Board's loans to support FPSB's operations in 2003 and 2004 and other transaction costs, totaled US\$1.43 million.

How could FPSB, with no revenues or track record, raise US\$1.43 million? At a breakfast meeting in Kuala Lumpur, Malaysia, in April, Kochis fielded doubts expressed by more than one Affiliate. "Several worried that FPSB would fail because we would not be able to pull off the financing," Kochis recalled in 2009.

Ever the optimist, Kochis proposed raising money by creating a Founders Fund and asking Affiliates to contribute.

FPSB Korea recognized the importance of each Affiliate stepping forward. "We needed a global self-regulatory body to establish standards for financial planners around the world, and FPSB could be that body," said Byung Chul (B.C.) Yoon, chairperson of FPSB Korea, in 2009. "To achieve that end, it was apparent that the new organization needed our financial support."

Despite the fact that FPSB Korea had only been an Affiliate since 2000 and had a relatively small number of CFP professionals by 2004, Yoon took FPSB's request back to his Board in the Republic of Korea, and after some discussion, the Board unanimously agreed to give FPSB US\$100,000 - the first Affiliate to make a contribution and a tangible gesture that would help the new organization finally open its doors. "We didn't learn until later that we were the first Affiliate to contribute," Yoon said. "To some, it might have seemed like a big risk, but we had benefited from the CFP certification standards and had confidence in the global future of the CFP marks. We felt that we had to do our part to make FPSB a success."

Throughout 2004, FPSB continued to gather commitments from Affiliates. By the time the organization met in London in October, it could announce that more than US\$910,000 had been pledged and US\$375,000 of that had been collected by FPSB by year-end. Payment of pledge contributions continued to come into FPSB from Affiliates until 2009, eventually raising just short of US\$1 million for the organization.

In the fall of 2004, however, a US\$1.1 million shortfall still remained. It would take a bank loan for FPSB to be able to close the sale with CFP Board.

**FPSB expresses its deep gratitude to our founding contributors for their commitment to FPSB and the CFP marks, and for their tremendous generosity in supporting our creation and efforts to establish CFP certification globally.**

***Platinum Level Sponsors (US \$100,000)***

- Financial Planning Standards Board Korea
- Financial Planning Association of Australia Ltd.
- Financial Planning Standards Council (Canada)
- Financial Planning Standards Board China Ltd. (Shanghai)
- Japan Association for Financial Planners

***Gold Level Sponsors (US \$50,000)***

- Financial Planning Association of Malaysia
- Financial Planning Association of Taiwan
- Financial Planning Institute of Southern Africa
- Financial Planning Standards Board India
- Institute of Financial Planning (United Kingdom)
- Institute of Financial Planners of Hong Kong Ltd.
- Instituto Brasileiro de Certificação de Profissionais Financeiros (Brazil)

***Silver Level Sponsors (up to US\$25,000)***

- Association Francaise des Conseils en Gestion de Patrimoine Certifies (France)
- Institute of Financial Advisers (New Zealand)
- Financial Planning Standards Board Indonesia
- Financial Planning Association of Singapore
- Österreichischer Verband Financial Planners (Austria)

2004

## Negotiating a Loan

When FPSB realized it would need a US\$1.1 million loan to get off the ground, Kochis took on the challenge.

He and Maye met with First Republic Bank in San Francisco, where Kochis had done business and explained that a new entity, FPSB, would soon own the CFP marks around the world. "I said that this was their opportunity to be the bank of FPSB and to be associated with the organization that would advance the financial planning profession globally."

The bank was interested but wanted security on the loan and a demonstrated commitment of financial support from members through the Founders Fund. Kochis explained that an agreement between CFP Board and FPSB prohibited using the CFP certification marks as security for any loan, so the bank offered an alternative: two American citizens could personally guarantee the loan.

Kochis immediately agreed to be one of the guarantors, putting up his personal wealth as collateral. Asked later if he ever had second thoughts, Kochis said, "I never doubted the ability



of FPSB to succeed,” noting that the loan agreement stipulated that the money would only go to FPSB on the condition that CFP Board had agreed to transfer the CFP marks to the new organization. “That provided me with some protection if the negotiation fell through,” he said.

Next, Kochis called Elaine Bedel. She later remembered the conversation. “Tim told me he had found a bank that would make the loan if there were two American co-signers, but that each of us would be individually liable for the full US\$1.1 million. He asked if I would co-sign, and I said, ‘Sure.’ I was ready to put my money where my mouth was and step up to the plate. I always thought the loan would be repaid.” By 2006, Bedel’s and Kochis’ names were removed as guarantors for FPSB’s loan and by year end 2007, FPSB had repaid the loan principal and interest in full.

With financing finally in place, an October 2004 launch date looked like a real possibility, so FPSB’s Board of Directors announced FPSB would formally launch in London at the regularly scheduled meeting of the International CFP Council. But, not surprisingly, there was still some work to be done. “We arrived in London, but still had details to finalize,”

Kochis said. “I was in the ante-room of the meeting with literally two phones to my ears - one to our lawyer and one to Dave Diesslin, chairperson of CFP Board, to put the finishing touches on our agreement.” CFP Board and FPSB staff worked past midnight to finalize the asset purchase agreement so that the FPSB launch could continue as planned.

On 13 October 2004, Tsu and Diesslin, chairpersons respectively of FPSB and CFP Board, signed the first of several agreements required to complete the transaction. Under the agreement,

FPSB would develop and promote financial planning standards internationally and would purchase the CFP trademarks in 36 territories outside the United States. CFP Board would maintain ownership of the CFP trademarks in the United States and focus its resources on benefiting the U.S. public. Seventeen nonprofit financial planning associations and standards-setting bodies, which together administered the CFP certification program for more than 45,000 CFP professionals in territories outside the United States, joined FPSB as member organizations. Each FPSB member organization would send up to two representatives to the FPSB Council, formerly the International CFP Council. FPSB was officially launched as an international nonprofit standards-setting body.

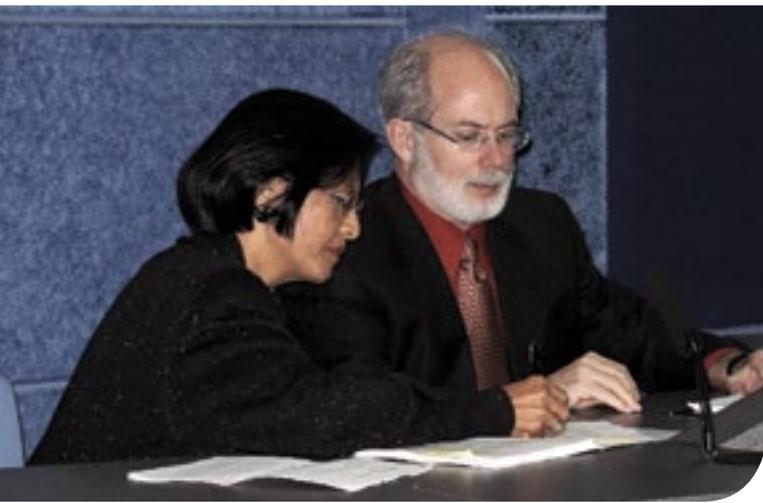
Tsu, chairperson of FPSB’s Board of Directors, addressed the group:

“...Today is both a logical step in the evolution of the CFP certification program and a truly historic moment in the lives of members of the public all over the world seeking competent and ethical services from professional financial planners. What we are seeking to do with the creation of Financial Planning Standards Board is in many ways a modest proposition - we want a truly international foundation for the CFP marks, and we want to establish a process to develop, enforce and promote standards for professional financial planners around the world that is governed by, advised by, and staffed by the best and the brightest in financial planning internationally.

“However, we only have to look back at the 42 CFP professionals in the world in 1973 who had a vision for a financial planning profession centered around the CFP marks to the coalition of organizations offering CFP certification in only three countries a decade ago, to where we are now, to realize that we...are on the cusp of a giant wave that has already begun washing over the world...”

Reflecting on the evening years later, Tsu said, “It was an emotional moment. Our years of hard work had paid off, and there were no longer any doubts that this was the right thing to do. The CFP marks were officially going international.”

During the following two months, each Affiliate was asked to sign a document releasing CFP Board from its contractual obligations to the Affiliate and acknowledging FPSB’s authority to administer the CFP certification program outside the U.S. “It was a lot of work to get all the agreements finalized, signed and notarized, but it finally came



Maureen Tsu, CFP, and Dave Diesslin, CFP, sign documents to transfer ownership of the CFP marks outside the U.S. to FPSB.

together by December,” Tsu said. “The year began with a struggle to simply stay afloat. Then we had so many issues to clear up before we could launch. It was wonderful to get it all completed by the end of 2004.”

On 30 November, Maye wired CFP Board US\$1.43 million. “I had never transferred such an amount of money in my life, so I wrote my signature very carefully,” Maye said. “The bank called to question it because it didn’t look like my normal flat-line signature. When my heart rate slowed down, I sent them another signature and the deal was done.”

The outstanding legal agreements were all finalized by the end of the business day on 30 November 2004, when all rights and interests in the international CFP marks and CFP Board’s international program were transferred to FPSB. Now with ownership of and authority to administer the international CFP certification program, FPSB opened for business on 1 December 2004.

At the London launch in 2004, territories with FPSB member organizations were:

- Australia
- Austria
- Brazil
- Canada
- Chinese Taipei
- France
- Germany
- Hong Kong
- India
- Japan
- Malaysia
- New Zealand
- Republic of Korea
- Singapore
- South Africa
- Switzerland
- United Kingdom

There was one caveat, however: If FPSB failed financially, CFP Board could take back ownership of the CFP marks, although it would be required to invite Affiliates to participate in the ownership. To facilitate this reversion of marks ownership, CFP Board received a 10-year security interest in the CFP marks outside the United States from FPSB; upon expiration of the 10-year period, should CFP Board wish to retain those rights, FPSB would receive a security interest in the U.S. CFP marks.

Despite elation over reaching the final launch of FPSB, one disappointment remained – CFP Board had not joined FPSB. To keep a connection between the two entities, FPSB invited CFP Board to attend FPSB Council meetings as an observer, which CFP Board agreed to do.

Carpenter expressed the feelings of many: “I was very disappointed that CFP Board was not going to be a part of FPSB - after all, the idea of financial planning came from the United States, and the fastest way to grow a new organization is to build on an organization that has already been there,” he said. “But in hindsight, if we had kept looking to the United States, we would not have matured in the way we were forced to do. We had no choice but to develop a mature organization from the start.”

Tsu added, “The United States was so integral to the beginnings of financial planning that it left a void when they did not join us.” Still, she remained hopeful that the two organizations would eventually reunite.

**“...if we had kept looking to the United States, we would not have matured in the way we were forced to do. We had no choice but to develop a mature organization from the start.”**

*John Carpenter, 2003 FPSB Board Chairperson*

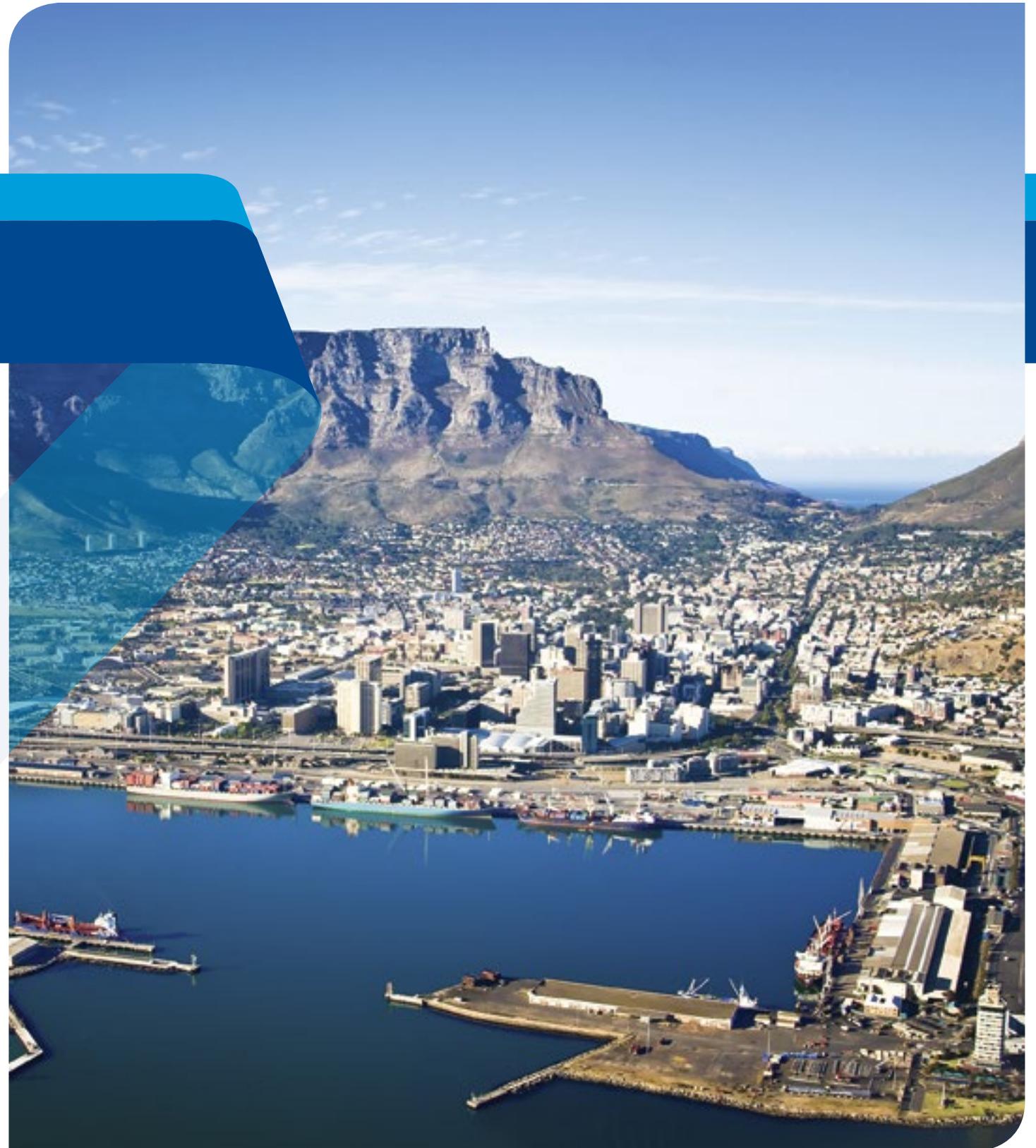
2005

# Getting Underway

FPSB's main thrust for 2005 was to get the new organization up and running, and not surprisingly, finances were a major concern.

Kochis was FPSB Board chairperson in 2005. "We did everything we could to raise funds so FPSB would not have to live hand to mouth," he said.

But for 2005, FPSB's existence was very much hand to mouth. To keep the doors open in its first few months of existence, Maye had solicited several Affiliates to pay their 2005 fees at the end of 2004, in return for interest on the money advanced to the new organization. A year earlier, he had written a proposal to the U.S.-based Foundation for Financial Planning for a grant equaling US\$50,000, but was turned down. In December 2005, Maye wrote a proposal to CFP Board for a grant equaling US\$475,000, to be drawn from CFP Board's International Fund, a US\$900,000-plus fund that had been built from fee payments made by FPSB's member organizations as part of the effort to internationalize the CFP marks. Again, FPSB was turned down. "There were a lot of tight, tight corners we had to turn to stay financially stable," Bedel recalled.



What FPSB had for the first time, though, was a full-time, dedicated staff. As part of the transfer of the international operation from CFP Board to FPSB at the end of 2004, CFP Board's six-person international department was fully transferred to FPSB. Leaving the security of a 20-year-old organization, the staff jumped onto the start-up roller coaster that was to be FPSB for the next few years. Although aware of FPSB's delicate financial situation and in the face of some skepticism that FPSB would survive, the staff had an unflinching sense of optimism in what could be achieved, and worked tirelessly to make it happen.

A priority for FPSB was to begin reviewing the common CFP certification standards met by the Affiliates, as well as by CFP Board in the United States, to develop a more consistent platform for the global standards to better meet the needs of the

international community. FPSB decided to do a complete review of the existing competency, ethics and practice standards and initial and ongoing international certification requirements for the global CFP certification program. Affiliates could then take this revised global platform and, subject to FPSB approval, adapt them to comply with a territory's regulations, laws and market needs.

To get started, FPSB established an international committee of certification specialists from Australia, Austria, Canada, Japan, Hong Kong, South Africa and the United States. The committee was charged with the task of defining the abilities, skills and knowledge needed to competently perform financial planning. They would draw on that information to develop a new Financial Planner Competency Profile. The Profile would serve as the framework

from which FPSB would develop global financial planning competency standards and CFP certification requirements.

FPSB also reviewed the International Organization for Standardization's (ISO) adoption of a personal financial planning standard, ISO 22222:2005, Personal Financial Planning, which concerned some Affiliates due to the ability of financial services practitioners to self-declare to the ISO standard. Additionally, FPSB reviewed the emergence of additional educational programs and credentials for financial planners around the world and their likely impact on FPSB's ability to communicate what financial planning was and what CFP certification meant.

The fledgling organization had yet another priority - nurturing relationships with potential Affiliates. In 2005, the Financial Planning Association of Taiwan (Chinese Taipei), one of the original 17 Members of FPSB, began to offer CFP certification for the first time. Later that year, the Financial Planning Standards Council of China (FPSCC), later Financial Planning Standards Board China Ltd. (Shanghai), joined as an Associate member.

The process to bring on an Affiliate from the People's Republic of China was a multi-year effort that involved much information gathering and multiple visits to key industry players in that country. Kochis, Carpenter, Tsu, Bedel and Maye, along with other Affiliate representatives, worked closely with the Chinese group as part of a China International Advisory Panel, and were enthusiastic yet cautious for the opportunity in China. In a 2005 press release, Kochis said: "Given the importance of China in the global economy, FPSB was committed to finding the right partner to work with to establish in the public's interest a financial planning profession centered on the principles and standards of the CFP marks."

FPSCC emerged as the right partner. Liu Hongru, FPSCC's Chairperson, said in a statement released to the press in November 2005, "[We are] pleased to have been granted exclusive rights by Financial Planning Standards Board to administer the world-famous CFP certification program in China. By introducing the internationally recognized CFP certification standards to China, FPSCC will improve the competency and skills of China's financial services practitioners and improve the public's confidence in the quality and advice of China's financial planning practitioners."



Years later Kochis elaborated on FPSB's careful scrutiny. "It was almost an inevitability that China would become a member of FPSB, given the rapid development of the Chinese economy and the professions there," he said. "At the same time, we had to ask if the Chinese government would be respectful of the CFP certification marks and work with us to protect our trademarks in that country."

As chairperson-elect of FPSB, Bedel was also involved in details surrounding the Chinese petition to join FPSB. "Our concern was that China take the CFP certification requirements seriously and maintain a rigorous standard," she said. "That's why we put together the advisory panel and required FPSCC to have everything approved by the panel before moving forward."

"We spent a lot of time cultivating our relationship with China and impressing on them the importance of playing by the rules," Kochis reflected in 2009. "As a result, we developed a very strong Affiliate there. Today, the number of CFP professionals in China is among the fastest growing in the world."



- Tim Kochis, CFP, is FPSB's 2005 Board Chairperson
- FPSCC (now FPSB China) becomes an Associate Member
- Ian Heraud, CFP, John Hewison, CFP, Don Johnston, Margaret Koniuck, Suzue Sato join the FPSB Board
- Institute of Financial Planning (IFP UK) celebrates 10 years of offering CFP certification
- Institute of Financial Planners of Hong Kong (IFPHK), FPSB Korea and Financial Planning Association of Malaysia (FPAM) celebrate five years of offering CFP certification

2005

2006

# Moving Forward

FPSCC became an Affiliate member in 2006 and FPSB Indonesia followed later that year.

As chairperson of FPSB's Board of Directors, Bedel was at the graduation of the first class of CFP professionals in China. "It was an impressive ceremony as several hundred CFP professionals walked across the stage, and I handed their certificates to them," she recalled. To support a career pathway to CFP certification, the Chinese Affiliate also introduced an Associate Financial Planner (AFP) credential for those who had met some of the CFP certification requirements. Several of FPSB's Affiliates offer this option as a way of creating a career path to CFP certification in emerging markets around the world.

Finances remained a challenge for FPSB in 2006. "Some of the Affiliates were skeptical about FPSB's ability to move forward without the financial support of CFP Board," Bedel recalled. "Some took a wait-and-see approach until they saw that the new organization was going to work."



When Board member Ian Heraud proposed that FPSB could pay off the bank loan and, more important, remove Bedel and Kochis as personal guarantors for FPSB's loan if Affiliates would take a piece of the debt, several were confident enough in FPSB to agree. "FPSB paid them the same interest it was paying the bank, eight percent, so it was a good deal for them," Heraud said. "But it was also a good sign that the Affiliates believed that FPSB would succeed."



- Elaine Bedel, CFP, is FPSB's 2006 Board Chairperson
- William Anthes, Patrick Dufour, CFP, Selwyn Feldman, CFP, K.P. Liu, CFP, Peter Volpé, CFP, join the FPSB Board
- FPSB China becomes an Affiliate Member
- FPSB Indonesia joins FPSB as an Associate Member and becomes an Affiliate Member
- Financial Planning Standards Council and the Institute of Financial Advisers celebrate 10 years of offering CFP certification
- FPSB India celebrates five years of offering CFP certification

In September 2006, FPSB retired the bank loan and became a debtor to Affiliates from Canada, Chinese Taipei, Hong Kong, Malaysia and the Republic of Korea, as well as to Kochis and Bedel, who bought out between them US\$100,000 of the US\$650,000 remaining loan. Using revenues generated by Affiliates' annual fees and the ongoing Founders Fund contributions, FPSB steadily repaid the loans, first to individuals, then to the Affiliates. Although the loans were repayable over a five-year period, FPSB repaid all of the loans by the end of 2007, two years ahead of schedule.

That March, CFP Board acknowledged the strides made by FPSB when CFP Board's Board of Governors unanimously approved a resolution congratulating the young organization on its first 15 months of independent existence and its progress in developing and enforcing standards for the use and protection of the CFP marks throughout the world. It pledged to "continue to work on building on our common interest in developing standards and protecting the CFP marks for the benefit and protection of consumers of financial planning around the world." The resolution foretold the two organizations' reconciliation a year later.

Bedel recalled another event in 2006 that could have changed the course of FPSB. Aware of FPSB's limited financial and staff resources, its Canadian Affiliate made a proposal to become for FPSB what CFP Board had been. The Canadian Affiliate proposed to house FPSB in its Toronto offices and allocate staff and resources to support FPSB, in return for greater say in FPSB's operations and governance. After reviewing the offer and meeting with the Canadian Affiliate board, FPSB's Board of Directors determined to remain independent of the control of any one Affiliate to better meet FPSB's global mission and vision.

2007

# Standards Work Forges Ahead

In 2007, eight territories were represented on FPSB's Board of Directors: Australia, Canada, Chinese Taipei, France, Japan, India, New Zealand and South Africa.

The young organization was also climbing onto more solid financial footing, and Maye added more staff to oversee the development of global standards for financial planning, which had begun two years earlier with work on the Financial Planner Competency Profile (completed in 2007). The next steps would include developing a global education and assessment framework, ethics and practice standards, and CFP certification requirements including an experience and continuing professional development requirement.

In September, FPSB established an education advisory panel and working group made up of several curriculum and assessment experts, along with member representatives from Australia, Canada, China, France, Indonesia, Malaysia, New Zealand, South Africa, the Republic of Korea, the United Kingdom and the United States. The group reviewed papers and presentations on various



financial planning curricula and delivery methods to identify the components of a financial planning curriculum that could be global and those that were territory specific.

South African panel organizer Wessel Oosthuizen, CFP, said, "We are excited about the opportunity to define what it is that a financial planner should be able to do and know to best serve clients... It is a great time to be involved with FPSB and work with such a capable group of global educators to establish a framework for a global financial planning curriculum."

The year ended with another major announcement: After more than three years of separation from FPSB, CFP Board in the United States would become a member. The two organizations agreed that each would retain ownership of the CFP trademarks in its respective territories, and CFP Board would continue its independent operations.

Stephen O'Connor, CFP, of New Zealand was on the FPSB Board of Directors at the time. "We amended FPSB's bylaws to allow CFP Board to join as a member and still remain legal owner of the CFP marks in the United States," he said. It was a welcome reunion within the global financial planning community. As the largest Affiliate in terms of the number of CFP professionals, the fees paid by CFP Board to FPSB would help the young organization financially. But more important, it meant that there was finally one global profession whose leaders were talking to one another.

In reviewing the decision to join FPSB, CFP Board CEO Kevin Keller noted, "When I joined CFP Board as its chief executive officer in May 2007, I questioned how FPSB could meaningfully develop a global financial planning profession without the input and active participation of the U.S. at the FPSB Council table. I also saw the need for the U.S. financial planning community to be part of the global discussions and leverage best practices from around the world for the benefit of U.S. consumers."

Given the protracted legal process required to create FPSB, Maye was pleasantly surprised with the more business-friendly approach Keller brought to CFP Board. Within weeks of their first face-to-face meeting, Keller called Maye and said, "CFP Board is ready to join FPSB and play its part in the global profession. I've asked our lawyers to draft a membership agreement, and I've asked them to keep the agreement length to a couple of pages." True to his word, Keller signed a four-page agreement with Maye on 25 October 2007, making CFP Board the 20th member of FPSB.

Maye expressed FPSB's sentiments in a November 2007 press release, "We welcome CFP Board as a member of FPSB at an exciting time for the global financial planning profession... CFP Board, with more than 20 years administering the CFP certification program in the United States, brings invaluable experience to the FPSB Council."



- Margaret Koniuck is FPSB's 2007 Board Chairperson
- Shailesh Haribhakti, CFP, Stephen O'Connor, CFP, join the Board
- CFP Board joins FPSB
- Japan Association for Financial Planners (JAFP) celebrates 15 years of offering CFP certification
- Association Française des Conseils en Gestion de Patrimoine Certifiés (CGPC) and FPSB Deutschland celebrate 10 years of offering CFP certification
- Österreichischer Verband Financial Planners (OVFP) and Instituto Brasileiro de Certificação de Profissionais Financeiros (IBCPF) celebrate five years of offering CFP certification

2007

2008

# FPSB Adopts Global Standards

In 2008, for the first time in its short history, FPSB began the year debt-free. However, the focus was not on FPSB's financial condition; it was on that of the world.

Headlines screamed, "Worst Financial Crisis Since the Great Depression," a sentiment that echoed around the world and that would cause repercussions for the global financial services sector, financial planning and CFP certification for years to come.

Probably the largest impact the Global Financial Crisis (GFC) had was to shake the public's trust in financial markets and financial services practitioners. A bright spot in all of this was the opportunity the GFC created to communicate the value and benefit of the financial planning process and working with a CFP professional. In fact, a CFP Board Pulse Survey done at the height of the financial crisis showed that people with a financial planner and a financial plan tended to stay the course and were able to ride out the worst impact of the GFC. However, the global financial services marketplace had changed, and FPSB would have to



deal with governments, regulators, firms, practitioners and financial planning clients in a much-altered financial landscape. In response, FPSB intensified its efforts to develop and adopt common global standards for financial planning.

Committees and working groups made up of individuals with specific expertise and representing various territories were now meeting to draft standards for financial planners and financial planning in the areas of education, assessment, experience, ethics and practice. For each standard, committee members began by analyzing the variations that existed among the Affiliates' standards, assessed their merits and recommended a more cohesive, global standard.

Selwyn Feldman, CFP, of Cape Town, South Africa, was FPSB Chairperson in 2008 when the global education, assessment, ethics and practice standards were drafted. "It took two years to put together the standards, which might seem like a long time," he said. "But the committees looked carefully at all the models that existed at the time to determine best practices, as well as what would be acceptable to all the Affiliates." Drafts of each standard were circulated to the FPSB Council for review and comment, and ultimately were subject to approval by the FPSB Board of Directors and ratification by the FPSB Council."

"Committee members and the FPSB Council approached the project with a spirit that was open to change, even when they might originally have thought that their territory's standard was the best," Maye observed. One proposal that was eventually accepted as part of the assessment standard, for example, required demonstration of the ability to develop a financial plan - a requirement that previously had been adopted by South Africa, Australia, Austria and the United Kingdom, but had not been part of many other Affiliates' assessment standards.

Another critical recommendation adopted by FPSB Council members was in the area of ethics. The first principle in its code of ethics would state in no uncertain terms: "Place the clients' interests first." The principle explained: "Placing the clients' interests first is a hallmark of professionalism, requiring the financial planning professional to act honestly and not place personal gain or advantage before the clients' interests."

"The FPSB code of ethics puts the client front and center and highlights the financial planner's professional obligation to make sure this is part of every financial planning engagement," Feldman said. "For me, this statement is evidence of the maturation of financial planning as a profession."

At the October meeting in Shanghai, FPSB Council members ratified global education, assessment, ethics and practice standards for financial planning. "The hard work up front and the consultative nature of the process paid off," Maye observed. "The standards presented won unanimous approval of the FPSB Council."

Feldman commented on the event in light of the financial crisis and recession that was sweeping the world at the time. In a November press release, he said, "The need for standards that put clients' interests first has never been greater. In this environment of market volatility and uncertainty, consumers have the right to advice from a qualified, competent and ethical financial planner. We believe those who call themselves financial planners should meet rigorous professional standards, and we are pleased to have now defined these standards for the global community." In 2009 he added, "When you consider what's involved in getting 50 people from different backgrounds, cultures and languages to agree on anything, it's really quite remarkable that the standards ultimately

*"We believe those who call themselves financial planners should meet rigorous professional standards, and we are pleased to have now defined these standards for the global community."*

– Selwyn Feldman, CFP, 2008 FPSB Board Chairperson

were accepted with a unanimous vote. The standards are the kernel of what we stand for because, when the rubber hits the road, it's standards that make or break a profession."

At the Shanghai meeting in October, FPSB also welcomed two new Affiliates: Financial Planning Standards Board Ireland (FPSB Ireland) and Thai Financial Planners Association (TFPA), bringing the number of Affiliate members to 22.

And at year-end, there was another announcement: For the first time, the majority of CFP professionals were doing business outside the United States. Of the 118,506 CFP professionals in the world, 59,676 were outside of the United States. "We always knew that the day would come when international numbers surpassed the United States," Feldman said. "It just happened more quickly than I anticipated. But there continues to be great potential for growth, both in the United States and around the world."



**"As the financial lives of individuals and families become more complicated, ordinary people need a professional adviser with high standards. CFP professionals meet the standards developed by FPSB, and so are well-suited to help consumers. In the future I would like to see CFP certification as the one and only standard for financial planning professionalism."**

Byung Chul Yoon, FPSB Korea Chairperson



- Selwyn Feldman, CFP, is FPSB's 2008 Board Chairperson
- Corinna Dieters, James Kraft, CFP, Juliana Lam, CFP, Naoyuki Yoshino join the Board
- FPSB Ireland becomes an Affiliate Member
- Financial Planning Association of Singapore (FPAS) and Financial Planning Institute of Southern Africa (FPI) celebrate 10 years of offering CFP certification

2008

2009

## A Five-Year Milestone

FPSB began its fifth year with a US\$2.5 million budget, no debt and the beginnings of a reserve fund.

With its internal governance and operational structure in place and finances stabilized, FPSB was in a position to focus on localization and application of its standards, as well as outreach to the wider world. The aftermath of the GFC continued, and shaped much of the decision-making in financial services globally. In 2009, FPSB participated for the first time in the annual conference of the International Organization of Securities Commissioners (IOSCO) in Tel Aviv, Israel, where GFC issues were front and center.

FPSB continued to support Affiliates when they met with regulators and other stakeholders in their territories. "Our goal is to help Affiliates position financial planning as a distinct professional practice in each territory," Maye said, noting that regulators in South Africa, New Zealand and India had expressed interest in FPSB's global standards as they considered how best to regulate financial advisers. "As regulators review and set competency standards for financial advisers and planners, we are confident that CFP professionals will meet and



exceed those standards," he said. Additionally, FPSB proposed that CFP professionals and financial planning can be part of the solution to restore the public's confidence in the financial services markets.

In April, FPSB authorized a Dutch financial planning organization, Stichting Register Masters in Financial Planning (RMFP), to administer the CFP certification program in the Netherlands. In a release announcing the newest Affiliate, Angelo van Nies, chairperson of RMFP, stated: "With the introduction of CFP certification to the Netherlands, we have an opportunity to connect the local career path of financial advisers and planners to a world-class standard for financial planning professionalism. Our community of existing Masters in Financial Planning, and others offering financial planning advice to Dutch consumers, will now join the global community of CFP professionals committed to excellence in financial planning." By July 2009, the organization had changed its name to FPSB Nederland in keeping with efforts to support a consistent global brand for FPSB's Affiliates.

FPSB also continued to field inquiries from financial planning organizations in other territories, including Colombia and the Philippines, and pursued efforts to develop CFP certification in Europe, the Middle East and South America. Early in the year, FPSB signed a letter of intent to discuss options for forming an alliance with the European Financial Planning Association, owner of the European Financial Adviser and European Financial Planner trademarks. It was hoped that an alliance would result in both parties recognizing the EFA and CFP certifications as part of the career path for financial services practitioners in Europe.

O'Connor, FPSB's chairperson in 2009, observed: "Both organizations have had considerable success in Europe, but neither has the ultimate solution, so we see these discussions as providing a pathway to more professionalism in financial services in Europe. Our cooperation would benefit both consumers and the two organizations."

In November, the FPSB Council and Board meeting in Dublin, Ireland, also marked a substantial accomplishment for FPSB and a major milestone for the financial planning profession: approval of global work experience and continuing professional development standards.

Bedel, now back at her Indianapolis, Indiana, practice after completing her terms of service at FPSB, commented on the achievement. "Now we have the same standards for

financial planning around the world," she said. "I could work with a CFP professional in New Zealand and know that he or she has met the same standards as I have, and that they would provide their clients the same services at the same level as I do here in Indiana. That's an amazing thing to me."



- Stephen O'Connor, CFP, is FPSB's 2009 Board Chairperson
- Prem Govender, CFP, Karen Schaeffer, CFP, Jane Wheeler, CFP, join the Board
- Thai Financial Planners Association (TFPA) becomes an Affiliate Member
- FPSB Nederland becomes an Affiliate Member
- Swiss Financial Planners Organization (SFPO) celebrates 10 years of offering CFP certification

2009

2009

## Achievements and the Road Ahead

In just five years, FPSB had established licensing and affiliation or membership agreements with financial planning organizations in 23 territories, representing more than 120,000 CFP professionals worldwide, and adopted global standards for financial planners in the areas of education, exam and assessment, experience, ethics, practice and continuing professional development.

*"We are on the cusp of developing a global profession, and I am delighted at how well FPSB has adapted to a dynamic environment and has been able to continually adjust to new developments," FPSB Board Chairperson Stephen O'Connor noted in 2009. He summarized the organization's progress:*



“The first five years of FPSB have been a period of remarkable achievement, especially given the organization’s rocky start and limited resources. We went from living on a very tight budget with a large debt so we could purchase the CFP marks to being debt-free, financially stable and able to establish reserves for trademark defense and other unforeseeable needs.

“The development of global standards is also a tremendous achievement. Five years ago, there were standards, but they differed to some extent from territory to territory. Now, thanks to the work of FPSB’s Council, Board of Directors and staff, we have one global set of competency, ethics and practice standards.

“The continued growth of FPSB is another fantastic achievement. We now have 23 Member territories and a number of other interested organizations looking to join FPSB.

“We also have a more united organization than five years ago. There’s been a natural tension between FPSB and its Affiliates from time to time. While the Affiliates have the same aspirations for global excellence as FPSB does, they also have their own members’ demands on them. Today, the FPSB Council, Board and staff recognize each other’s contributions and are committed to excellence and to benefiting consumers of financial planning around the world.”

**“We have a more united organization than five years ago. There’s been a natural tension between FPSB and its Affiliates from time to time. While the Affiliates have the same aspirations for global excellence as FPSB does, they also have their own members’ demands on them. Today, the FPSB Council, Board and staff recognize each other’s contributions and are committed to excellence and to benefiting consumers of financial planning around the world.”**

Stephen O’Connor, CFP, 2009 FPSB Board Chairperson

And the next five years? Melbourne-based Corinna Dieters, 2009 FPSB Board Chairperson-elect, summarized the challenges ahead:

- To maintain and enforce consistent global standards for the benefit of financial planning consumers around the world;
- To continue to grow FPSB and expand the global footprint of the CFP certification marks;
- To provide resources to assist FPSB Members;
- To adjust to the changing demographics of CFP professionals around the world;
- To balance growth with maintaining professional standards; and
- To gain recognition of financial planning as a distinct profession by regulators and others.

“The bottom line is to benefit the consumer,” Dieters said. “FPSB’s mission is to ensure that when consumers seek financial planning advice, they have a means of identifying competence in their advisers, and that CFP certification will represent that competence and ethical practice. If the CFP mark is recognized as the symbol of global excellence in financial planning, then we will have achieved our objective of benefiting consumers of financial planning.”

O’Connor concluded, “It makes me sad that I won’t be there for the next five years, but I’m confident and proud that FPSB will continue to meet the challenges as the financial planning profession continues to evolve and change.”

2010

## Positioning for Global Recognition

With its start-up years firmly behind it, FPSB began to focus in 2010 on a long-term approach toward establishing financial planning as a globally recognized profession, and positioning FPSB in a leadership role among key global stakeholders.

At its World Financial Planning Summit, held in Chinese Taipei in April, FPSB invited regulators, financial planning educators, representatives from the consumer press and leaders of FPSB's 23 financial planning standards-setting bodies to develop recommendations for establishing financial planning as a distinct profession worldwide. Although Iceland's Eyjafjallajökul volcano eruption disrupted global travel in a previously unimaginable way that week, and threatened to disrupt FPSB's Summit, the event was a success and FPSB was able to post videos of speaker presentations and event highlights to the global media and CFP professional communities.



Sean C. Chen, then chairperson of the Financial Supervisory Commission, the regulatory authority for Chinese Taipei's financial services marketplace, gave the Summit's keynote address, offering his perspective on financial services regulation and the role financial planners had to play in consumer wellbeing. And FPSB Chairperson Corinna Dieters called on the global financial planning community to play an active role in shaping the future of their profession and embracing the responsibilities that would come from such recognition.

"We need to address the uncomfortable issues," Dieters said. "We need to take responsibility for suggesting solutions that raise the bar – on standards, education, regulation, the practice and delivery of financial planning, and the level of care we give to those who entrust us both with their financial wellbeing and the financial wellbeing of their loved ones."

During the one-day Summit, participants reached consensus on 20 high-level recommendations to guide future FPSB strategies and activities, grouped into four categories: regulation and professional oversight; building the body of knowledge for financial planning; consumer advocacy; and the practice and delivery of financial planning.

**"We need to address the uncomfortable issues. We need to take responsibility for suggesting solutions that raise the bar – on standards, education, regulation, the practice and delivery of financial planning, and the level of care we give to those who entrust us both with their financial wellbeing and the financial wellbeing of their loved ones."**

Corinna Dieters, 2010-2012 FPSB Board Chairperson

FPSB Council Chairperson Karen Schaeffer, CFP, summed up the event by saying, "Most of us at the Summit were already intimately involved in furthering the financial planning profession at the local level, but all of us need to take responsibility for addressing the tough issues and raising the bar at the regional and global levels as well, and we need to do it in a transparent and inclusive manner. I think the World Financial Planning Summit was a great first step in helping FPSB achieve its goal of establishing financial planning as a distinct global profession."

Following the Summit, FPSB's Board of Directors reviewed the recommendations and incorporated them into FPSB's strategic and operational plans. One recommendation was adopted immediately: to appoint a public member to the Board of Directors. FPSB's next call for nominations added "consumer advocacy and/or public interest background" to the organization's list of desired qualifications, and in November the first public member was named to the 2011 FPSB Board of Directors. Robert A. Hotchkiss would bring a background in business planning, public relations, and experience as a public member of the Board of Directors for the U.S.-based Institute for Credentialing Excellence.

"After spiritual and physical health, I put financial health as the most important public need, and that's been under siege in the past couple of years with the global financial crisis," Hotchkiss said. "I see tremendous need among the public for financial planning, and I'm drawn to be involved in a profession that brings me closer to directly serving the needs of the public."

In addition, FPSB included a public member on its Standards Committee, highlighting the organization's commitment to ensuring that the ultimate beneficiaries of FPSB's efforts were consulted during development of global standards and certification requirements.

The recommendations and enthusiasm generated during FPSB's World Financial Planning Summit laid the foundation for the year's second major initiative: the development of a far-reaching plan for how FPSB could achieve global recognition of financial planning as a distinct profession, with the CFP marks its symbol of excellence. The vision, called FPSB 2025, was outlined by the Board of Directors to FPSB's member organizations in April, refined over the following months with Member input, and finalized in a strategic planning session of the FPSB Council at its October meeting in Seoul, Republic of Korea.

FPSB 2025 reinforced FPSB's commitment to work cooperatively with key global stakeholders, including governments, regulators, financial services institutions, consumer

groups and educators, to establish financial planning as a bona fide professional practice, similar to established professions such as law, medicine and accounting.

To implement FPSB 2025, the Board of Directors and FPSB Council agreed on several priorities for the organization:

- 1) Establish pathway standards and programs to strengthen and support the CFP marks as the global symbol of excellence in financial planning.
- 2) Develop engagement strategies to foster growth in existing and new markets to ensure the public has adequate access to competent and ethical financial planners.
- 3) Develop a professional framework for financial planning and engage regulators.
- 4) Engage in outreach to global financial services firms.

To maintain continuity of leadership during development of the FPSB 2025 vision, the terms of the FPSB Board Chairperson and FPSB Council Chairperson were extended by one year. In 2011, Corinna Dieters would continue to serve as Board Chairperson, while Karen Schaeffer, CFP, extended her term as Council Chairperson until 2012 when she was slated to move into the Board Chairperson position.

Models for oversight and regulation of financial advisers around the world were a significant focus for FPSB in 2010. As Dieters observed, "Increasingly, FPSB is seeing the global regulatory environment convening around a few central themes, such as the standards of care for clients, financial planner compensation and disclosure of conflicts of interest." These themes were underscored in an address made to FPSB at the Seoul meeting in October by Stephen Po, Chairperson of the IOSCO's Standing Committee 3 on the Regulation of Market Intermediaries.

At the Seoul meeting, FPSB Council delegates endorsed FPSB's second global position paper: "Regulation and Oversight of the Financial Planning Profession." The result of a nine-month consultative process with FPSB member organizations, the paper outlined FPSB's recommendations for the regulation of, and an oversight model for, the financial planning profession. The paper articulated those elements of financial planning that lent themselves to regulation and oversight as an activity separate from other forms of financial services, particularly product-based financial advice. The paper also stated FPSB's

support for holding financial planners to a fiduciary-like standard and for professional bodies to work cooperatively with regulators to oversee the financial planning profession.

During 2010, four expert panels and working groups developed guidance for implementing the global financial planning standards that had been adopted by FPSB during the previous two years. The goal: to support FPSB member organizations in uniformly administering the CFP certification program in FPSB territories by providing guidance documents, content and customizable templates.

The Financial Plan Working Group created tools and content to guide entrants to the financial planning profession on how to develop a viable financial plan, including guidance for entrants and certifying bodies and a sample case study and model financial plan.

The Portfolio/Supervision Working Group produced guidance to assist certifying bodies in evaluating the work experience of candidates for financial planner certification.

The Integrated Financial Planning Working Group outlined a 32-hour education course that could eventually serve as a localized capstone course for candidates for CFP certification, or as a Continuing Professional Development course for financial planners wishing to hone their client-engagement skills.

The Education Panel developed an outreach strategy to engage universities in delivering financial planning programs and training the next generation of financial planners.

Thirty-seven CFP professionals and academics, representing 14 FPSB territories, volunteered their time and expertise to the undertaking, along with Wessel Oosthuizen, CFP, of South Africa, who served as each of the groups' chairperson. The results were presented at the October FPSB Council meeting in Seoul, and by year-end, the following nine documents had been published for use by FPSB Members:

- Financial Plan Framework
- Guidance for Candidates Developing a Financial Plan
- Guidance for Certifying Bodies Developing a Financial Plan Case Study
- Guidance on Financial Planner Work Experience
- Guidance on Developing a Financial Planner Work Experience Portfolio

- Guidance on Supervision of Financial Planner Work Experience
- Guidance on Implementing FPSB's Financial Planning Curriculum Framework
- Financial Plan Case Study
- Integrated Financial Planning Education Course Outline

"Even though we had global standards in place, we knew that some individuals who called themselves financial planners may not have written a comprehensive plan for a client," said Oosthuizen. "Our goal was not only to help FPSB Members implement the new global standards, but also to increase the level of professionalism among financial planners who were already on the job."

To carry this work forward in 2011, FPSB named a six-member Standards Committee, chaired by FPSB Board member Ian Johnston, to oversee the establishment and maintenance of the organization's global competency, ethics and practice standards. FPSB also created an advisory panel, made up of certification and standards staff and volunteers from FPSB's member organizations, to support the Committee's work.

"Having both a committee and an advisory panel provides FPSB with the opportunity to have two important conversations," said Johnston. "In the Standards Committee, for example, the conversation centers on achieving the highest possible standard for

**"Even though we had global standards in place, we knew that some individuals who called themselves financial planners may not have written a comprehensive plan for a client. Our goal was not only to help FPSB Members implement the new global standards, but also to increase the level of professionalism among financial planners who were already on the job."**

**Wessel Oosthuizen, CFP, FPSB Working Groups Chairperson**



**"Having both a committee and an advisory panel provides FPSB with the opportunity to have two important conversations. In the Standards Committee, for example, the conversation centers on achieving the highest possible standard for the profession, regardless of politics or environment. The Advisory Panel then focuses on what it would take for FPSB Members to implement the standard. It's a 'check and balance' approach that ensures that FPSB sets the right standards for the right reasons."**

**Ian Johnston, FPSB Standards Committee Chairperson**

the profession, regardless of politics or environment. The Advisory Panel then focuses on what it would take for FPSB Members to implement the standard. It's a 'check and balance' approach that ensures that FPSB sets the right standards for the right reasons," he added.

Also during the year, FPSB member organizations in 10 territories conducted job analyses using a questionnaire based on FPSB's Financial Planner Competency Profile. FPSB provided psychometric consulting services to those organizations participating in the project. The resulting data, collected from more than 6,500 CFP professionals in 10 territories, provided a platform for FPSB to create global CFP examination specifications by year-end.



- Corinna Dieters is FPSB's 2010 Board Chairperson
- Peeyush Gupta, Steve Helmich, Ian Johnston, Luiz Maia join the Board
- CFP Board celebrates its 25th anniversary
- Financial Planning Association of Australia (FPA) celebrates 20 years of offering CFP certification
- Institute of Financial Planning (IFP U.K.) celebrates 15 years of offering CFP certification
- Institute of Financial Planners of Hong Kong (IFPHK), FPSB Korea and Financial Planning Association of Malaysia (FPAM) celebrate 10 years of offering CFP certification
- Financial Planning Association of Taiwan (FPAT) celebrates five years of offering CFP certification

2010

2010 saw continued growth in the financial planning profession around the world. During the first three months of 2010, member organizations in Brazil, China, India and Indonesia achieved an average of 19 percent growth in the number of CFP professionals, building on previous impressive gains in these territories in 2009.

Ulf Mannhardt, CFP, president of FPSB's Brazilian member organization, noted, "As incomes (in Brazil) increase and more consumers recognize the importance and benefits of financial planning, the need is growing for financial planners seeking to distinguish themselves as competent and ethical financial planners through the world-class CFP certification program."

In November, Asociación Colombiana de Planeación Financiera (ACPF) became an Associate Member of FPSB, becoming the 24th Member of FPSB. ACPF would have two years in which to develop the processes, procedures and programs needed to administer and support CFP certification in Colombia. Just one month shy of its six-year anniversary, FPSB had increased the number of member organizations by 41 percent.

Commenting on Colombia's membership, ACPF board member Hernando Gonzales said, "Financial planning is a new concept in Colombia, but one that is much needed by consumers here. We know that the CFP certification program is recognized as the global symbol of excellence in financial planning, and our goal is to benefit all Colombians by bringing the program to our country."

At year-end 2010, CFP professionals numbered 133,756 worldwide, an increase of 6.1 percent compared with 2009. Anticipating continued growth in 2011 and beyond, FPSB's staff moved to new offices in December.

2011

# Building on Momentum

Even as economic uncertainty continued to grip much of the world, the momentum generated by the adoption of FPSB 2025 at the Seoul meeting the previous November carried into 2011 as FPSB began laying the groundwork to carry out its 15-year plan to gain worldwide recognition of financial planning as a distinct profession.

Admittedly, it was an ambitious goal. “While the year 2025 may turn out to be an optimistic timeframe within which to move from an emerging profession among 24 territories to being a fully recognized profession around the world, the vision provides us with a ‘stretch goal’ to focus our near- and mid-term activities,” said FPSB CEO Maye.



A significant step toward the vision of FPSB 2025 was accomplished in 2011 with the release of “The Global Practice of Financial Planning” study. From November 2009 through March 2011, member organizations in 11 territories had administered a localized version of FPSB’s Financial Planner Job Analysis Questionnaire to 38,294 CFP professionals and received 11,147 responses. FPSB compiled the ground-breaking data into the first research of its kind to provide a benchmark for understanding the practice of financial planning worldwide.

The survey’s primary goal was to identify the importance and frequency of the tasks, skills and knowledge required to practice financial planning, and then to use those findings to validate standards and requirements for FPSB’s global CFP certification program.

Survey respondents also reported that compliance with appropriate laws and regulations, adherence to an ethical code and acting in the best interest of the client were the most important tasks in the practice of financial planning globally. Commenting on the study in an October press release, Maye said, “FPSB’s research shows that CFP professionals’ practices and principles align with the interests of clients, which should provide confidence to those seeking expert advice on their financial and life goals. The feedback we received from CFP professionals around the globe indicates that they have embraced a commitment to ethical behavior and to establishing relationships of trust when working with clients.”

In gathering the research, FPSB was able to develop a profile of the global CFP professional community. Although significant variation existed among territories, the average CFP professional appeared to be male, aged 35 to 54 years, with a high level of education, at least six years’ experience in financial services, working in a firm with 50 or more employees and over 100 clients, and who had received CFP certification within the last five years. It was expected that territory-specific demographics would identify future opportunities for FPSB Members, such as attracting younger candidates or more women to financial planning.

The high-level professional skills and competencies identified during the global job analysis study underscored a need that FPSB Members had long recognized: To establish a career path for aspiring financial planners by recognizing those who had attained some, but not all, of the requirements for CFP certification. (About a third of FPSB’s Members already offered a path recognizing those on the way to CFP certification.)

The concept was particularly endorsed by Members in emerging markets where the concept of financial planning was new and a relatively small number of individuals were immediately ready to pursue CFP certification. But although FPSB owned the trademarks for a few of these pathway designations, the programs were not consistent from one territory to another.

“In the Board’s discussions around FPSB 2025, we realized that by not offering a pathway to CFP certification, FPSB would miss the opportunity to expose individuals to our global standards earlier in their career, and get them interested in CFP certification,” said Karen Schaeffer, CFP, who was Chairperson-elect in 2011.

In 2011, a formal project got underway to develop a standard for a career path to CFP certification. The project was led by FPSB’s Pathway Program Working Group, with representatives from FPSB Members in Austria, Canada, Hong Kong, Ireland, New Zealand, South Africa, the United Kingdom and the United States. The group met in Zurich, Switzerland, to put together a set of competency, ethics and practice standards, as well as certification requirements, for a qualification that could serve as a stepping stone to CFP certification, while also encouraging the broader financial adviser marketplace to embrace FPSB’s standards and approach to financial planning. The group’s work was shared with FPSB Members during a 30-day comment period in September and discussed at the FPSB Council meeting in November in Washington, D.C.

**“In the Board’s discussions around FPSB 2025, we realized that by not offering a pathway to CFP certification, FPSB would miss the opportunity to expose individuals to our global standards earlier in their career, and get them interested in CFP certification.”**

Karen Schaeffer, CFP, 2011 FPSB Board Chairperson-elect



One FPSB Member in a mature market commented that while a pathway program wasn't needed in its territory, the need was emerging in other markets. Another mature market Member commented that pathway programs already existed in many territories and questioned FPSB's efforts. Yet others saw the need for a pathway solution now. Some Members wondered whether FPSB should do this at a territory level rather than have an FPSB Council discussion on a global pathway credential.

Oversight of the world's financial planners continued to be a focus for FPSB in 2011 as the organization and its Members took steps to gain a "seat at the table," as Maye put it, as government and regulatory policies were established that would impact the emergence of financial planning as a recognized profession. FPSB staff attended the 36th annual conference of the IOSCO in Cape Town, South Africa, to communicate FPSB's role in benefiting consumers and elevating professional standards for financial planning

globally. Later that year, at IOSCO's invitation, FPSB provided comments on suitability standards being proposed for market intermediaries.

During the year, Members grappled with the issues of damaged consumer confidence in financial advisers, increasing regulatory oversight and whether Members felt ready to serve as financial planning professional bodies in their territories. FPSB's newly formed Professionalism Framework Working Group stated in an internal discussion paper in October: "...As a result of the global financial crisis and in the face of current economic uncertainties, consumers, regulators and other market participants are anxious about the future, and many have lost confidence in the professionalism and/or motives of financial advisers often with little or no distinction made for financial planners/CFP professionals." (The working group comprised FPSB Member representatives from Australia, Canada, South Africa, the United Kingdom and the United States.)

In its report, the group stated that these conditions presented both opportunities and challenges for an emerging financial planning profession: an opportunity for an

enhanced role in cooperating with regulators overseeing the conduct of financial planners and advisers, and the challenge of pursuing a consistent approach globally. "The emergence of a profession depends on the interplay of four components: CFP professionals, clients, the professional body and government/regulators," noted Deen Sanders, then chief professional officer at Australia's Financial Planning Association. FPSB's working group drew from research Sanders had completed as part of his doctoral dissertation in 2010.

The working group recommended that FPSB focus first on the professional body component to determine: 1) Members' willingness to accept the role of a professional financial planning body in their respective territories; 2) how each FPSB Member assessed its readiness to assume the role; and 3) how FPSB could work with Members to increase readiness.

The working group developed a set of criteria that it determined should be in place before an organization could reasonably identify itself as being capable of serving as the professional body for financial planning in a territory. At the November FPSB Council meeting, Members approved 16 criteria for professional financial planning bodies.

To provide financial planners and regulators with a succinct description of the client-centered approach to financial planning that FPSB advocated, FPSB's Regulations Advisory Panel and Standards Committee, with Member input, developed "Financial Planner Duty of Care" principles. The FPSB Council approved the principles at its November meeting in Washington, D.C., and called on all planners – whether CFP professionals or not – to use the principles to guide their activities and behavior when working with clients during financial planning engagements.

The seven principles were:

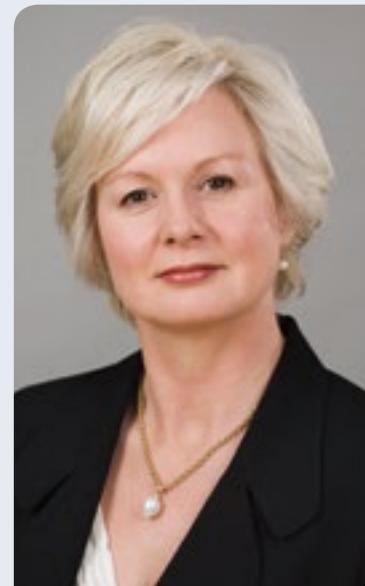
1. Behave like a fiduciary
2. Act in accordance with professional expectations
3. Provide full and appropriate disclosure
4. Act with transparency
5. Manage conflicts of interest
6. Secure fully informed client consent
7. Communicate the compensation/remuneration model

Commenting on the principles in a press release, Maye said, "As consumers look to restore trust and confidence in the financial services community, financial planners need to be able to clearly communicate the value of working with a financial planner. FPSB's Duty of Care principles provide a guide for how financial planners can set themselves apart through professionalism, client-centered advice and a commitment to ethical behavior."

In October, FPSB launched Financial Planet ([www.FinancialPlanet.org](http://www.FinancialPlanet.org)), the first blog devoted to gaining recognition for financial planning as a distinct, global profession. The concept had originated at FPSB's World Financial Planning Summit in 2010 as a way to continue the conversations that began there about the steps needed to establish financial planning as a profession. The site featured blogs by an editorial team of bloggers from Australia, Brazil, Chinese Taipei, India, Republic of Korea, South Africa, the United Kingdom and the United States, and visitors from around the world. In addition, FPSB invited regulators, educators, employers and consumer advocates to engage in discussions about the current state and future needs of the financial planning profession.

As 2011 drew to a close, 139,818 CFP professionals were practicing around the world, an increase of 4.5 percent from 133,756 CFP professionals in 2010. Territories with developing economies led worldwide growth rates for the third consecutive year. FPSB member organizations in Brazil, India, China and Indonesia experienced double-digit percentage growth in their CFP certification programs, ranging from 14 percent (Indonesia) to more than 47 percent (Brazil), although their numbers remained modest relative to the population of their territories. For the first time, the FPSB Council meeting in November included a separate forum for Members in developing markets.

Speaking before the FPSB Council at its November 2011 meeting, Maye provided a perspective on the year and acknowledged the challenges ahead. "We know that we strive to achieve our goals in a very unsettled economic environment, where consumer confidence and trust have been damaged, legislators and regulators are enacting significant changes, and employers are cautious about spending on training programs," he said. "And we must achieve our vision and mission at a time of increased competition from other credentials and educational offerings ... Luckily, we have momentum on our side ... and we have a solid history of being able to find our way forward together, respecting the diversity of viewpoints but recognizing the shared vision of FPSB 2025."



- Corinna Dieters is FPSB's 2011 Board Chairperson
- Tom Cross Brown, Robert Hotchkiss join the Board
- Financial Planning Standards Council (FPSC) and the Institute of Financial Advisers (IFA) celebrate 15 years of offering CFP certification
- FPSB India celebrates 10 years of offering CFP certification
- FPSB China and FPSB Indonesia celebrate five years of offering CFP certification

2011

2012

# Engaging the Middle East

Change got underway early in the year starting with a simple – yet significant – choice of meeting venue. When FPSB’s Board of Directors and FPSB Member chief executives and volunteer leaders held their joint session in April, they convened in Dubai, UAE – the first time the organization had met in a territory where it did not have a Member.

Guests from the Middle East joined in discussions to explore opportunities to offer CFP certification, including representatives from the Emirates Securities and Commodities Authority, Bahrain Institute of Banking and Finance, Middle East Securities Training Center in Bahrain and Pioneers for Business Development in Jordan.



While in Dubai, the FPSB Board attended a presentation on global trends in financial services, hosted by the Dubai Financial Services Authority (DFSA). And, leveraging outreach opportunities while in the region, FPSB staff met with Saudi Arabia's Institute of Banking to learn more about that territory's readiness for CFP certification.

Interest generated by outreach to the Middle East continued through the year, with the Gulf Cooperative Council's banking institutes meeting to determine how they could support a regional approach to CFP certification. The concept was intriguing. "A regional approach would be a change for FPSB," Board Chairperson Karen Schaeffer, CFP, observed, "but one we think makes sense. Individual territories within the Middle East may not have the uptake necessary to sustain growth, whereas a regional approach, supported by the region's self-regulatory organizations, could provide FPSB with a new model for bringing smaller territories on board."

With governments around the world continuing to enact laws in an attempt to prevent another Global Financial Crisis, working with regulators was top-of-mind at FPSB throughout 2012. In April, Schaeffer warned that confusion was being created for the CFP certification program by regulators who, in an effort to provide more consumer protection, were "up-skilling" product sellers and blurring the distinction between financial advisers and financial planners.

"Regulators aren't waiting for FPSB to solve the problem, and the increased regulatory activity at the seller/adviser level is eroding the distinction of financial planning," she warned, adding that Members should be prepared to tell legislators and regulators what they wanted in their jurisdictions and then be ready to act if asked by governments or regulators to step up to a financial planning oversight role.

In anticipation of such a scenario, FPSB had, in 2011, identified 16 criteria that an organization should have in place before setting itself out as capable of serving as the professional body for financial planning in a territory. (A 17th criterion was added in 2012: "Continually review and raise the standards required for the professional practice of financial planning.") FPSB Members generally had rated themselves well against the criteria, although the evaluation uncovered some deficiencies: promoting public confidence in the appropriateness and fairness of Members' disciplinary processes; re-evaluating the appropriateness of continuing professional development (CPD) requirements; and monitoring the ongoing practices of certified individuals.

The appropriate roles of Members and FPSB in working with government or regulatory bodies also came up for debate at the Dubai meeting in April. FPSB Board Member Peeyush Gupta said, "FPSB must get in the game. It's critically important that, whether on a global or local basis, we have an aligned, compelling vision to offer regulators."

FPSB took a significant step toward "getting in the game," as Gupta had put it, when it strengthened its ties with IOSCO, the international standards setter for securities markets. (IOSCO described its members as regulating more than 95 percent of the world's securities markets in 115 jurisdictions as of 2012.)

In 2011, FPSB had commented on IOSCO's proposed suitability principles to promote investor protection in connection with the distribution of complex financial products. It followed up in April 2012 with a presentation to IOSCO's Committee 3 at a meeting in Rio de Janeiro, and provided additional written comments in May. Later that year, with FPSB Board approval, staff petitioned for Affiliate Membership in IOSCO, which was granted in October.

"FPSB's membership in IOSCO is significant because it changes our relationship with regulators from being an outsider to being a member of their group, and it aligns us with the regulators who most often affect the financial advice space," commented Board Chairperson Karen Schaeffer.

---

**"We are pleased to welcome FPSB as an Affiliate member of IOSCO. FPSB will bring a global professional financial planning body perspective on the issues faced by the consumers of financial advisory services and financial planning to IOSCO debates."**

David Wright, IOSCO Secretary General



“We are pleased to welcome FPSB as an Affiliate member of IOSCO,” said David Wright, Secretary General of IOSCO in a press release. “FPSB will bring a global professional financial planning body perspective on the issues faced by the consumers of financial advisory services and financial planning to IOSCO debates.”

In his year-end report to the FPSB Council, Maye stated: “FPSB now has a seat at the global regulatory table for the first time.” As an Affiliate member of IOSCO, FPSB would not have voting rights, but it would have access to IOSCO’s regulatory agenda and the ability to participate as a member of IOSCO’s Self-Regulatory Organization (SRO) committee (later renamed to Affiliate Member Consultative Committee (AMCC)).

“We view this as an excellent opportunity to position FPSB and its Members as thought leaders for the financial planning profession,” Maye said. “Along with its member organizations, FPSB shares a public-interest mission with governments and is ready to work collaboratively to design appropriate regulation, oversight models and standards for the financial planning profession.”

When the FPSB Council convened in Wales for its annual meeting in October, working with regulators was once again on the agenda. FPSB Council Chairperson Steve Helmich reported that regulators in a number of territories were moving toward increasing minimum qualifications for financial advisers, eliminating or restricting commissions on product sales, and demanding more disclosure. David Geale, head of Investment Policy at the United Kingdom’s Financial Services Authority, who participated in the meeting, noted that common themes for regulators around the world were disclosure and raising the level of professionalism.

Against this backdrop, several Members reported significant progress in gaining recognition from regulators. FPI of Southern Africa, for example, had reached a long-held goal of being recognized as a professional body by the South Africa Qualifications Authority. FPSB’s U.K. Member, the Institute of Financial Planning, was recognized as an accredited body by the Financial Services Authority (later renamed the Financial Conduct Authority). And the Financial Planning Association of Australia (FPA) had advocated for the Australian government to put forward legislation to protect the term “financial planner” in law.

FPA’s recommendations aligned with the approach recommended in FPSB’s 2010 position paper, “Regulation and Oversight of the Financial Planning Profession,” which called for the protection of the term “financial planner” in law or regulation, holding financial planners to a fiduciary-like standard of care in law or regulation, and oversight of financial planners by a professional financial planning body.

Also in Australia, FPA’s membership voted overwhelmingly to shift the organization from a membership association to a professional body. Although a costly decision, FPA determined that the change was necessary to fulfill its promise to evolve financial planning into a profession.

Working in partnership with its Members, FPSB commissioned research in 2012 to measure how practitioners valued CFP certification, marking the first time such a study had been undertaken on a global level. To start the initiative, Cerulli Associates, an international research firm, surveyed CFP professionals in Austria, Germany and the United Kingdom, and found that a large majority of CFP professionals were satisfied to significantly satisfied with their CFP certification (60 percent in Austria; 72 percent in Germany; 80 percent in the United Kingdom). The research also found that CFP professionals in all three territories experienced increases in both their compensation and their client base after earning CFP certification. The next round of research in 2013 was expected to include CFP professionals in Singapore and South Africa.

On another research front, Comparator Business Benchmarking included a series of questions about CFP certification in its annual benchmarking survey of leading financial services firms in Australia. CEOs, COOs, heads of strategy or heads of marketing at the top 50 financial services firms in Australia were surveyed on the value of CFP professionals to their firms. Respondents reported that CFP professionals increased

revenue and productivity, reduced client complaints, and improved/lengthened client relationships.

FPSB proposed replicating the research project in other FPSB territories in 2013 as part of its effort to support Members' outreach to firms.

A third research project, initiated in 2011, continued into 2012 as 62 percent (15) of FPSB Members completed the FPSB job analysis survey by year-end, including Members in France, Indonesia, Switzerland and Thailand. As in 2011, results continued to show that CFP professionals considered their most important tasks to be compliance with appropriate laws and regulations, adherence to an ethical code and standards of practice, and acting in the best interest of the client.

Work on a pathway toward CFP certification gained momentum in 2012 with the finalization of a framework and requirements for an adviser-level program. The program could support new markets that wanted to embrace FPSB's standards, but were not ready for the rigor of CFP certification. In addition, existing FPSB Members would have the option of using the program to engage a broader group of professionals in their territories.

A large number of FPSB Members endorsed the concept, but there were concerns. Should FPSB venture into the adviser space when the organization's focus was financial planning? Was FPSB straying from its mission? Would the introduction of another credential create confusion and dilute the message of CFP certification? What would happen in territories that already had their own pathway credentials – or that wanted to offer CFP certification exclusively?

Several Members objected to the word "adviser," noting that the term was regulated in some territories and meaningless as a defining term in others. In response, FPSB proposed to roll the program out on a territory-by-territory basis as needed, rather than promoting it as a global program.

FPSB ventured into course development for the first time in 2012 with the introduction of its "Integrated Financial Planning: Developing Effective Financial Plans" course. Prior to its unveiling, FPSB pilot tested the course in South Africa, and later in the United Kingdom with the Institute of Financial Planning and RSM Tenon, the UK's seventh-largest accountancy and business adviser firm.



John Porteous, a member of RSM Tenon's financial management team, was quoted in the November issue of the FPSB Update newsletter: "Participants told us, 'I thought I was a financial planner, but after the course, I realized that I wanted to become a financial planner.' The Integrated Financial Planning course was the best investment we ever made."

FPSB introduced the course at the FPSB Council's annual meeting in October, along with "Putting Principles Into Practice: Client First," the first FPSB ethics CPD course based on FPSB's global ethics standards.

FPSB's Financial Planet website, launched in 2011, gained momentum during the year with more than 400 subscriptions to the site and thousands of unique visits from around the world. The site's 11 independent bloggers shared their experiences as part of FPSB's comment paper to IOSCO, offered best practices for FPSB's Integrated Financial Planning course and opined on everything from ideal business models to training needs. At year-end, FPSB published an e-book with Financial Planet's top 10 blogs of the year.

In October, the Asociación Colombiana de Planeación Financiera (ACPF) petitioned to extend its Associate-level membership for one more year. The FPSB Board granted the petition, giving the Colombian organization more time to put its certification program in place.

FPSB explored a different approach from its traditional certification model with the Union of Financial Planners of Israel (UFPI). UFPI purchased FPSB's Integrated Financial Planning course and offered it to candidates to help prepare them for the CFP exam administered directly by FPSB in Israel – another first for the organization. In his report to the FPSB Council in October, Maye said, "Through this partnership approach, FPSB is setting up organizations in a territory for eventual success as an FPSB Member."

Throughout the year, Members were reminded that 1 January 2013 would be the effective date for compliance with FPSB's global standards that were adopted in 2008 and 2009. "Some of the changes in the standards were quite significant, and several Members needed time to revise their programs to align with the standards," Schaeffer explained.

FPSB worked with Members throughout the year to address deficiencies. The organization also made the decision to include the 17 professional body criteria in Members' assessments. "It made sense to build the professional body criteria into the assessment so we could keep track of Members' progress," Maye said. In addition, the assessment process would be re-vamped to enhance the training and collaboration opportunity for Members.



FPSB's Board of Directors worked with an outside consultant in 2012 to develop a general profile and specific criteria for Board candidates. The Board's goal was to broaden the candidate pool, while identifying the ideal composition of directors to provide the competencies and attributes needed to ensure strategic leadership. Their ideal: 10 members of roughly equal gender representation, including a balance of individuals with CFP certification, regulatory experience, international business experience, and growth market experience. With these criteria in mind, the Board put out a call for nominees, and 35 individuals responded – a record number.

To address Board member term extensions and resignations, the Board revised FPSB's bylaws in October to: allow the Board to fill a vacancy by appointment until the expiration of the term of office for the director being replaced; extend a director's term in one-year increments, as long as a director served no more than seven consecutive years; and allow the Board to extend the terms of the chairperson and chairperson-elect for an additional year.

Income from membership fees and program and management expenses climbed steadily from 2008 through 2012, and FPSB consistently stayed in the black, albeit by a small margin. At year-end, FPSB held approximately US\$1 million in a reserve fund, well short of its target of \$3.4 million, which would equate roughly to one year's expenditures. Also in 2012, FPSB spent the last of the grant money received in 2006 from the U.S.-based CFP Board.

To generate additional revenue in 2013, FPSB planned to support growth in current programs, seek opportunities to develop new programs and sell the products it had rolled out in 2012 using a revenue-sharing model with Members.

At the end of 2012, FPSB had Members in 24 territories around the world, overseeing 147,822 CFP professionals, a 5.7 percent increase over the previous year. FPSB's member organization in the People's Republic of China matched numbers delivered by U.S.-based CFP Board, with each increasing its CFP professional count by 3,007 and 3,009 respectively. FPSB's member organization in Japan was next, adding 712 individuals. The top three were followed by strong CFP professional growth from FPSB Members in South Africa, Hong Kong, the Republic of Korea, Brazil and India, underscoring the impact of developing markets in establishing financial planning as a global profession.



- Karen Schaeffer, CFP, is FPSB's 2012 Board Chairperson
- Barry Horner, CFP, Tim Kochis, CFP, Pamela Packard join the Board
- Japan Association for Financial Planners (JAFFP) celebrates 20 years of offering CFP certification
- Association Française des Conseils en Gestion de Patrimoine Certifiés (CGPC) and FPSB Deutschland celebrate 15 years of offering CFP certification
- Österreichischer Verband Financial Planners (OVFP) and Instituto Brasileiro de Certificação de Profissionais Financeiros (IBCPF) celebrate 10 years of offering CFP certification

2012

In the Americas, CFP professionals in Brazil, Canada and the U.S. totaled 85,516 – more than half the total number of CFP professionals worldwide. Among FPSB's 12 member organizations in the Asia-Pacific region, the number of CFP professionals increased by 4,394 to 53,353, representing 36 percent of the global CFP professional community. FPSB's European member organizations posted a growth rate of 4.6 percent, for a total of 4,617 or three percent of the global total. In South Africa, FPSB's Member added 346 CFP professionals, for a total of 4,335 CFP professionals, or almost three percent of the world's CFP professional population.

2013

# Taking Stock, Moving Forward

FPSB moved forward on several fronts in 2013, while taking time out to assess its long-range mission and sharpen its focus for the years ahead.

“Given our 10-year anniversary next year, and in light of the significant changes affecting the financial planning profession worldwide, the time was right to revisit and refresh FPSB’s strategy,” said Board Chairperson Steve Helmich. Among the issues the organization wrestled with during the year: Was financial planning becoming a true profession? Were FPSB’s standards rigorous enough – and were they consistently administered around the world? How best could FPSB and its Members grow the number of CFP professionals and distinguish them from other advisers? Did the public recognize the value of working with a CFP professional? And, what were the appropriate roles of FPSB Ltd. and Members when interacting with stakeholders?

When FPSB met in Hong Kong in April, these questions were front and center. “The common themes we hear from Members are the need for



clear branding and definitions, greater public awareness, the challenges presented by an alphabet soup of designations, and working with regulators to increase recognition of financial planning and CFP certification,” FPSB Council Chairperson Barry Horner, CFP, noted. “FPSB Members are at different stages with many of these issues.”

FPSB used the year to revisit “FPSB 2025,” an ambitious strategy developed in 2010 to achieve global recognition of financial planning as a distinct profession. Members took advantage of the April meeting in Hong Kong to weigh in on how FPSB Ltd. should move forward. Among their suggestions: Provide research and tools for Members to communicate the story of financial planning to regulators, firms and practitioners; assist Members in communicating with regulators with an emphasis on FPSB’s client-first perspective; keep standards high and continue to pursue making financial planning a profession; and be flexible to accommodate Members’ unique needs.

Following the meeting, FPSB commissioned a consultant to interview Member chief executives as part of a review and refresh of FPSB 2025. In October, in Sydney, Australia, FPSB’s Board and member organizations reaffirmed their commitment to the organization’s strategic vision of establishing financial planning as a distinct global profession, with CFP certification its symbol of excellence. Further, they agreed to a blueprint that outlined a picture of success for 2014-2016.

Commented FPSB Board chairperson Steve Helmich, “In Sydney, we had a laser focus on the financial planning profession’s future, and committed as a global community to collaborate on rigorous professional standards for CFP certification, support new entrants and career paths in financial planning, and help regulators and the public to identify competent and ethical financial planners who will place their clients’ interests first.”

Ian Johnston, FPSB Standards Committee Chairperson and a Dubai regulator, provided his perspective on global regulatory thinking. Johnston observed that greater efforts to protect consumers had resulted in reviews of compensation methods in terms of conflicts of interest when working with clients. Some regulators, in fact, had come to the conclusion that disclosure alone failed to protect consumers, and were moving toward restricting or even banning commissions on certain products in territories such as Australia, India and the United Kingdom.



At FPSB’s October meeting in Sydney, the Board and member organizations agreed on the following FPSB position on financial planner remuneration:

- A financial planner’s responsibility is to put the interests of the client first.
- The cost to the client of the services that are delivered should be mutually agreed between the client and the financial planner, and should be fully disclosed, transparent and compliant with local regulatory requirements.

“Regulators frequently do not differentiate between financial advisers and financial planners,” Johnston went on to say. “They follow a mandate for market integrity and



**“FPSB needs to be able to play a role in that space to ensure that professionals who are ready to move up to financial planning will pursue CFP certification.”**

*Steve Helmich, 2013-2014 FPSB Board Chairperson*

consumer protection, not industry development.” His recommendations: Set higher professional standards for competence and ethics, ensure that clients’ interests always come first, provide advice tailored to fit client needs and charge fairly for services.

Helmich’s and Johnston’s comments set the tone for the year, as FPSB continued to focus on working with regulators and furthering financial planning as a profession. At the Hong Kong meeting, FPSB Members agreed on the need to engage regulators, keep the lines of communication open, have consistent messaging and assist CFP professionals in meeting new regulatory requirements. How FPSB should position itself and CFP certification within the broader advice space, however, proved more contentious, with some Members contending that acknowledging financial advisers as professionals or as a profession could dilute the CFP certification brand.

Helmich reiterated the Board’s commitment to keep financial planning and CFP certification distinct in the minds of stakeholders. He pointed out, however, that consumers were accessing recommendations and services from financial advisers in most FPSB territories. “FPSB needs to be able to play a role in that space to ensure that professionals who are ready to move up to financial planning will pursue CFP certification,” he said. He added, “It’s FPSB’s intent to support Members moving practitioners along on the journey to professionalism and CFP certification.”

At FPSB’s October meeting, Peter Kell, deputy chair of the Australian Securities and Investments Commission (ASIC), noted, “Financial planners have a strong role to play in helping protect consumers and supporting the importance of financial advisers working in the best interest of clients.”

During the year, FPSB Members debated the rigor of CFP certification standards. For example, should candidates be required to hold a university degree to obtain

certification? At the April meeting in Hong Kong, Financial Planning Institute of Southern Africa CEO Godfrey Nti commented. "The profession deserves high standards in the interest of the public that it serves. If it's too easy for people to become certified, it won't mean as much, not even to the certificants and it certainly will not be in the interest of the public. Let's rather set high standards, set deadlines for achieving them and in this way help move the profession forward."

FPSB and its Members also asked if FPSB's continuing professional development (CPD) requirement was adequate. FPSB's Standards Committee had rejected a working group's recommendation that 15 hours of CPD annually be regarded as a minimum requirement, arguing that it seemed a low standard for a profession and citing a number of jurisdictions where regulators required more hours. Some Members, however, expressed concern that professionals would turn away from CFP certification if too many CPD hours were required.

A third concern was whether FPSB could develop more consistency in the delivery of the CFP exam globally. Member representatives from Australia, Brazil, Germany, India, Ireland, Israel, Malaysia, Netherlands, New Zealand, Singapore, South Africa and Thailand developed new CFP exam standards, which were adopted by the Board of Directors and ratified by Members at the October meeting in Sydney.

A bold suggestion was added to the mix: Could FPSB develop a global CFP exam component to assure equivalency of CFP certification assessments globally? Financial Planning Association of Singapore Chairperson Kimmis Pun, CFP, commented, "CFP certification cannot be the globally recognized gold standard for financial planning without a globally consistent component of the CFP exam." However, some Members with well-established CFP exams worried that introducing a global component would disrupt delivery of existing exams and potentially dilute their effectiveness. FPSB's Standards Committee agreed to review feedback from the meeting and recommend next steps to the FPSB Board of Directors in January 2014.

FPSB Members also used the Sydney meeting to discuss a more formalized process to amend existing standards and policies and create new ones. The process would be followed in 2014 as working groups and the Standards Committee continued to work on updates to standards for education, experience, financial plans and continuing professional development.



FPSB's participation in IOSCO gave the organization several opportunities to interact with regulators at a global level during the year. In February, FPSB presented its mission, vision and objectives to IOSCO's Affiliate Member Consultative Committee. In April, Stephen Po, chairman of IOSCO's Standing Committee on Regulation of Market Intermediaries, addressed the FPSB Board and Members. And in December, FPSB was invited to speak at IOSCO's Investor Education and Financial Behavior Conference in Rio de Janeiro, Brazil.

FPSB also strengthened its ability to engage financial services firms in supporting CFP certification. Twelve Members from territories including Australia, Austria, Brazil, Canada, China, Germany, India, Ireland, New Zealand, Singapore, South Africa and the United States partnered with FPSB and Comparator Business Benchmarking for research on the value of CFP professionals to financial services firms. CEOs, COOs, heads of strategy or heads of marketing at 92 leading financial services firms representing 120,117 advisers and 11,568 CFP professionals commented on the value of CFP professionals to their businesses. Among the findings:

- 87 percent of respondents indicated that employing CFP professionals had a positive impact on clients' satisfaction with the firm.
- 86 percent said that CFP professionals helped differentiate their firms.
- 86 percent indicated that they planned to grow CFP professional numbers in their firms in the next three years.
- 78 percent reported that employing CFP professionals led to increased client retention.
- 74 percent indicated that CFP professionals presented lower compliance and legal risks.
- 69 percent felt that CFP professionals generated higher revenue compared to those without certification.
- 61 percent reported that CFP professionals in their firms had a higher rate of growth of assets under management.

Education courses rolled out in 2012 by FPSB found their way into several Members' offerings, providing a consistent training platform and an opportunity for FPSB Ltd. and Members to generate additional revenues. "Financial Essentials: Developing Effective Financial Plans" was purchased by Members in Indonesia and the United Kingdom. The two Members also purchased "Putting Principles into Practice: Client First," an ethics

CPD course, as did Members from Japan and Hong Kong. Ireland's Member purchased the "Financial Plan Case Study and Sample Financial Plan."

In 2013, FPSB completed a new course, "Financial Essentials: Engaging Clients for Life," and began development of a two-day training course for firms based on FPSB's "Integrated Financial Planning" program.

At the October meeting in Sydney, FPSB welcomed the Asociación Colombiana de Planeación Financiera (ACPF) as its 24th Affiliate Member and welcomed UFPI as an Associate Member.

In Israel, in July 2013, 68 individuals sat for the CFP exam in Tel Aviv, which was administered by FPSB Ltd. Following the certification of 60 successful candidates in November at a ceremony in Jerusalem, FPSB CEO Maye noted, "FPSB is using Israel and Colombia as testing grounds to address the 'start-up burden' of developing training courses and delivering CFP exams. FPSB's education portfolio and exam delivery capability will be crucial to our ability to engage with and develop new markets for financial planning."

Also in 2013, FPSB worked with Members in Ireland, The Netherlands and Thailand to assess their administration of the CFP certification program. At year-end, more than 75 percent of Members were in Tier 1, and FPSB committed to helping the non-Tier 1 Members address deficiencies in aligning their programs with FPSB standards.

During the year, the FPSB Board of Directors asked Steve Helmich to continue in his role as chairperson through April 2015 and for Ian Johnston to extend his term on the Board for an additional two years through April 2016.

FPSB's nominating committee issued a call for nominations for a new Board member. The committee emphasized the need for an individual with a background from Northeast Asia. In October, Ji "Jennifer" Huang of the People's Republic of China was named to a four-year term beginning in April 2014. She would join eight other volunteer Board members from Canada, Brazil, India, the United Arab Emirates, the United Kingdom and the United States. In a news release announcing her appointment, Huang commented: "Having played a role in the rapid growth of FPSB China's certification programs, I am looking forward to guiding FPSB as it looks to manage growth, risks and opportunities in developing, maintaining and promoting CFP certification as the symbol of excellence in financial planning in markets with rapidly emerging financial planning sectors."

As 2013 drew to a close, CFP professionals had grown to 153,376 in 25 territories. FPSB ended the year with a US\$50,000 budget shortfall – Maye called it “an investment toward future growth” – that was covered by drawing on a cash cushion carried forward from 2012. The organization remained debt free, and FPSB contributed US\$100,000 to the organization’s reserve fund at year-end.



- Steve Helmich is FPSB’s 2013 Board Chairperson
- Mari Emmanouilides, CFP, Sanjay Sachdev, CFP, Joy Thomas, FCPA, FCMA, join the Board
- Asociación Colombiana de Planeación Financiera (ACPF) becomes an Affiliate Member
- Union of Financial Planners in Israel (UFPI) becomes an Associate Member
- Financial Planning Association of Singapore (FPAS) and Financial Planning Institute of Southern Africa (FPI) celebrate 15 years of offering CFP certification
- FPSB Ireland celebrates five years of offering CFP certification

2013

2014

# Marking a Decade of Excellence

The October 2013 strategic planning session in Sydney had produced a list of six priority items for FPSB to address in its 10th anniversary year.

Each of the priority items reflected key points of FPSB 2025 – Leadership, Awareness, Standards, Engagement and Recognition (LASER) – while focusing on the short-term gains needed for the organization to achieve its 2016 picture of success. The meeting in Sydney had brought clarity to FPSB’s agenda for 2014, and enabled staff to hit the ground running as the year began.

The priority items identified by the FPSB Council included: drafting a document to present FPSB’s position on financial planner remuneration to external audiences; developing baseline standards for CFP certification that would be “set and met” by FPSB members; defining the value of financial planning, both inclusive of and distinct from financial advice; creating a comprehensive network-wide strategy for the CFP certification brand promise; identifying existing Member regulatory



engagement strategies to develop a database that could be used by new and existing Members; and conducting an FPSB governance review. FPSB staff began recruiting Members and subject-matter experts for working groups and panels to tackle the ambitious to-do list in January.

Meanwhile, FPSB's membership in IOSCO was beginning to pay dividends. A member of IOSCO's Affiliate Member Consultative Committee – the Turkish Capital Markets Association (TCMA) – had heard Maye's presentations on the value of financial planning and CFP certification at IOSCO's conferences, and expressed interest in bringing the program to Turkey, a market that FPSB had identified as a strong candidate for CFP certification. In April, FPSB conducted its global meeting in Istanbul, marking the second time it had held this meeting in a territory without a Member. As part of the meeting, FPSB and TCMA hosted a joint seminar to gauge interest in bringing CFP certification to Turkey.

At the event, Helmich commented: "Turkey is one of FPSB's priority markets to establish a CFP certification program and support the development of financial planning as a profession. We're pleased to have partnered with TCMA to showcase the value of CFP certification and financial planning to financial services professionals in Istanbul, and we look forward to introducing our program to this market soon."

As the year began, Barry Horner, CFP, who had been named chairperson-elect of the FPSB Board in 2012, learned that health problems would prevent him from being able to fulfill his term on the Board. In his resignation letter to the Board, Horner thanked his colleagues for the privilege of serving, adding, "I have thoroughly enjoyed my time whilst being involved with FPSB ... I would be delighted to somehow remain connected to the FPSB family, and would be keen to help in any way I can ..." The Board accepted Horner's resignation in March, and at its April meeting in Istanbul, elected Sanjay Sachdev, CFP, to serve as chairperson-elect and FPSB Council chairperson for 2014.

"The Board is grateful to Barry Horner for his service over the past two years, and we're confident that Sanjay will lead FPSB with an equal level of enthusiasm and insight," said Helmich. "As the founding chairperson of FPSB India, Sanjay brings a wealth of experience and deep knowledge of the issues affecting financial planners in developing markets."

On the January FPSB Council call, Members asked FPSB to make the governance review a

priority for the year. FPSB's Board agreed to devote two days of the April 2014 meeting to the subject. At a strategic planning session in Istanbul, FPSB Members discussed how changes to FPSB's governance structure might impact FPSB, the profession and each territory. In interviews prior to the session, FPSB's chief executives had expressed a desire for a governance model that recognized and embraced the perspectives of all FPSB Members.

At the meeting, FPSB's Board of Directors named a Governance Review Working Group, led by Board member Joy Thomas, that was representative of the diversity and interests of the global FPSB Member community. FPSB Members identified a number of guiding principles for the group. They requested that the working group: embrace intellectual honesty, integrity, trust, dignity and mutual respect for all opinions; be transparent, with no hidden agendas; come with an open mind, and listen with good intent; and consider the interests of all FPSB constituents and the greater global good. After extensive discussions, FPSB Members agreed to provide supplemental funds to FPSB to ensure the project could be completed within a one-year timeframe.

In a report to Members prior to the October 2014 meeting in Shanghai, the Governance Review Working Group presented recommendations on:

- FPSB's purpose, mission and vision;
- Roles and responsibilities (of FPSB Ltd. and FPSB Members);
- FPSB's collective focus;
- FPSB's professional standards and certification requirements;
- FPSB's Board composition and terms;
- FPSB's Board nominations process;
- FPSB's voting process;
- FPSB's Council and sub-forums, including the creation of two new bodies (a Member Advisory Group and a Chief Executives Committee);
- Embedding guiding principles for FPSB network discussions; and
- Revisions to FPSB's corporate documents.

Commenting on the Governance Review Working Group's performance, Chairperson Joy Thomas said: "I was honored to have been asked to chair this Working Group, and was pleased to be able to contribute my knowledge and experience from similar governance reviews I have conducted with other organizations. But most of all, I was humbled by the commitment of the members of the Working Group to the wellbeing and future success of the organization, the FPSB Board and the network of FPSB Members."

Although global marketing to consumers had always been on the minds of FPSB Members, the concept of a comprehensive, network-wide strategy for the CFP certification brand promise hadn't been a major discussion item since FPSB developed its first global advertising campaign in 2007. However, as FPSB approached its 10-year anniversary, FPSB Members saw increased consumer awareness as a key building block for growth of the financial planning profession. Would it be possible to create a network-wide strategy with messaging that could resonate strongly in all territories? FPSB tasked its Communications Advisory Panel (CAP) with finding out.

After analyzing Member outreach efforts, and the language and images FPSB member organizations used to talk about financial planning and CFP certification, the CAP proposed a series of recommendations at the April meeting in Istanbul. The first had to do with research. FPSB already had robust research with CFP professionals through Cerulli Associates, and global research with financial services firms through Comparator, but the CAP saw that no global research existed to truly capture the attitudes and motivations of consumers toward financial planning and CFP certification. With the approval of FPSB's chief executives, the CAP solicited research proposals with the idea of developing a research-driven, comprehensive global consumer campaign during FPSB's 10th anniversary year.

The CAP understood that having research on a global scale would not only help FPSB understand the best way to connect with consumers; it would also be of interest to regulators, many of which had prioritized investor protection and financial literacy programs. Early in the year, FPSB staff had met with the Organisation for Economic Co-operation and Development (OECD) on guidelines the OECD was developing for nonprofit organizations engaging in investor education programs, and had attended an International Forum for Investor Education conference, at which regulators had signaled their desire to support financial literacy efforts. The CAP felt that having global research with consumers could provide FPSB and its Members with a platform to engage global stakeholders on these topics.

In 2014, FPSB's Regulations Advisory Panel (RAP) gathered information about Members' regulatory engagement strategies to help FPSB understand global trends in regulation and share ideas and best practices among member organizations. The survey results revealed new insights – including one that surprised the RAP: More than half of FPSB's Members reported having legislation or regulation that impeded the emergence of financial planning in their territories. The findings helped set the scene for FPSB's strategic discussions at the October meeting in Shanghai.

Two other FPSB priorities became part of the RAP's agenda in 2014: developing a paper to support FPSB's position on financial planner remuneration, and distinguishing the value of financial planning in the larger financial advice space – a topic that had proven controversial both for RAP members and the FPSB Council in the past. At an in-person meeting in Denver, the group voted to recommend a framework that outlined the roles of regulators and professional bodies, such as FPSB and its Members, in increasing the level of professionalism for those providing advice. "Increasingly, regulators are blurring the lines between financial advice and financial planning," said Gerhardt Meyer, CFP, RAP chairperson, as he introduced the issue. "FPSB needs to be able to clearly define and protect the financial planning space when regulators ask our opinion on how financial advice should be regulated. FPSB is not suggesting a policy change; rather, it is looking for a proactive strategy to support regulators' efforts to ensure good outcomes for the public."

The question of how to regulate financial advice was also an issue for European regulators in 2014. With the passage of the Markets in Financial Instruments Directive II (MiFID II), the European Securities and Markets Authority (ESMA) had been tasked with developing an implementation plan, and members





of FPSB's European Forum, consisting of FPSB's seven European member organizations, decided to take a proactive position in the process. Under the leadership of FPSB Europe chairperson Paul Grimes, CFP, and with the assistance of the Austrian Member's chief executive, Otto Lucius, CFP, FPSB Europe responded to a comment paper by ESMA on MiFID II, and later invited ESMA to discuss the implications of MiFID II for financial planning in Europe. The meeting proved to be a success, with FPSB Europe encouraging ESMA to differentiate financial planning and professional advice from product sales.

In 2013, FPSB had sought Member feedback on its global standards. While Members had approved a new exam standard, they requested additional guidance around education, experience, CPD and financial plans. In 2014, FPSB's Standards Committee developed, with Member feedback, revised standards and guidelines in

each of the four areas. Notably, the Standards Committee recommended increasing FPSB's CPD standard from 15 hours each year to 30 hours every year, averaged over the recertification cycle. "Some FPSB Members had been concerned that regulatory standards were surpassing FPSB's professional standards for CFP certification," said Ian Johnston, chairperson of FPSB's Standards Committee. "In recommending the new standard, the committee felt it important to stay ahead of regulators on this issue, thereby increasing the relevance of CFP certification as the global symbol of excellence in financial planning."

Many FPSB Members felt that increasing the number of CPD hours for CFP professionals would overburden practitioners. These Members suggested that CPD requirements could be increased as regulators demanded it in a territory. In the meantime, Members suggested FPSB focus instead on the quality and delivery of CPD courses. FPSB's Board of Directors deferred approval of a new CPD standard, and asked Members to work on the issue in 2015.

FPSB also convened a number of working groups throughout the year to consider issues and topics that would help move the global financial planning profession forward. A Body of Knowledge Working Group set guidelines for an academic review of FPSB's

education courses, and laid the groundwork for a global research project in 2015. A Practice Management and Entrepreneurship Working Group began development of a program to assist financial planners in starting, growing and eventually exiting a financial planning practice. And, FPSB's Global CFP Exam Working Group developed plans to pilot test a global CFP exam component in 2015.

As part of FPSB's strategy to engage financial services firms, staff conducted a successful pilot test of "Financial Essentials: Engaging Clients for Life," at Standard Bank in Pretoria, South Africa, in September, at which trainers and course participants explored how to build long-term, valuable relationships with clients. The course was a hit with the firm. Said one participant: "It was a phenomenal course. As a junior financial planner, I could clearly identify errors in my practice. The transformation in change of engagement was very visible as team members went through the process of the course."

### **Build, Grow, Engage**

As FPSB approached its 10-year anniversary, the organization had much to celebrate. The number of CFP professionals globally had increased more than 70 percent in 10 years, and the number of FPSB Members had increased from just 17 in 2004 to 26, with FPSB Turkey becoming FPSB's 26th Member in October. FPSB had also made significant strides toward creating, maintaining and enforcing consistent global standards for the profession. FPSB had conducted important research on the value of financial planning and CFP certification, and developed education courses and other resources to assist Members with their growth strategies. Finally, along with its Members, FPSB was successfully increasing its profile with regulators, by communicating its tenets for oversight of the financial planning profession and differentiating financial planning from advice.

As FPSB prepared for its October meeting in Shanghai, FPSB's staff settled on a theme of "Build, Grow, Engage." An invitation to register for the meeting set the stage for the celebration:

"Over the past 10 years, FPSB and its member organizations have built the foundation for a respected global financial planning profession. Going forward, we have the opportunity to grow the profession substantially – in existing territories and by making our standards and CFP certification available in more territories around the world. Shanghai offers us time together to engage, enrich relationships, and renew our commitment to FPSB's vision and mission."

The Shanghai setting was also significant, because FPSB China was celebrating its 10-year anniversary too, along with phenomenal CFP professional growth that, in 2013, had matched the organization that had started it all – CFP Board in the U.S.

“In just 10 years, FPSB China has made a significant impact on the profession, even changing the face of the typical CFP professional,” said Sanjay Sachdev, CFP, 2014 FPSB Council Chairperson. “FPSB China has been able to attract many young Chinese women to the CFP certification program, providing a much-needed connection to future generations, and creating a new demographic profile within the global financial planning profession.”

Where would the next 10 years take FPSB? Chairperson Steve Helmich recalled the challenges that one of his predecessors, Corinna Dieters, had expressed in 2009. “I know Corinna would be pleased at the progress we’ve made in the last five years, and I’m grateful to all of the Members, volunteers and staff who have worked so hard to get FPSB to where it is today,” he said. “I know in my heart that, in 2025, financial planning will be a recognized profession according to our vision, and together, we will have built a profession that will benefit the public for generations to come.

“I can think of no finer legacy,” said Helmich, “and no finer organization than FPSB to lead us there.”

**“I know in my heart that, in 2025, financial planning will be a recognized profession according to our vision, and together, we will have built a profession that will benefit the public for generations to come.”**

Steve Helmich, 2013-2014 FPSB Board Chairperson



- Steve Helmich is FPSB's 2014 Board Chairperson
- Ji (Jennifer) Huang joins the Board
- Swiss Financial Planners Organization (SFPO) celebrates 15 years of offering CFP certification
- FPSB Nederland and Thai Financial Planners Association (TFPA) celebrate five years of offering CFP certification

2014

## 2004

FPSB launches with 17 member organizations

CFP marks outside U.S. transferred to FPSB

89,690 CFP professionals worldwide

## 2005

Financial Planning Standards Council of China (now FPSB China) joins FPSB as an Associate Member

FPSB has 17 Affiliate Members and 1 Associate Member

95,549 CFP professionals worldwide

## 2006

CFP Board congratulates FPSB on progress developing global standards for CFP marks

FPSB establishes an assessment program to ensure member organizations are in compliance with FPSB's standards

FPSB China becomes an Affiliate Member

FPSB Indonesia joins as an Associate Member in April, and becomes an Affiliate Member in November

FPSB has 19 Affiliate Members

104,952 CFP professionals worldwide

## 2007

FPSB Ireland, Register Masters in Financial Planning (now FPSB Nederland), and Thai Financial Planners Association join as Associate Members

FPSB adopts a global Financial Planner Competency Profile

CFP Board, owner of the CFP marks in the U.S., joins FPSB

FPSB has 19 Affiliate Members, 3 Associate Members, and 1 Class B Member (CFP Board)

111,839 CFP professionals worldwide

## 2008

FPSB Ireland and Thai Financial Planners Association become Affiliate Members

FPSB approves global ethics and practice standards for financial planning

FPSB develops Model Rules of Conduct for CFP professionals

FPSB develops a Financial Planning Curriculum Framework

FPSB develops a Financial Planner Assessment Framework

FPSB approves a three-year strategic plan with objectives for Leadership, Awareness, Standards, Engagement and Recognition (LASER)

FPSB has 22 full Members and 1 Associate Member

118,506 CFP professionals worldwide



THE  
W  
E  
C  
Z  
M

# 2009

FPSB Nederland becomes an Affiliate Member

FPSB approves global CPD and work experience standards for financial planners

FPSB publishes its first global position paper, *The State of Financial Planning in the "Post-Trust" Era*, and identifies necessary steps to establish financial planning as a distinct profession

FPSB celebrates 5th anniversary on 1 December

FPSB has 23 full Members

For the first time, the number of CFP professionals outside the U.S. (65,382) exceeds the number in the U.S. (60,634)

126,016 CFP professionals worldwide

# 2010

FPSB hosts a World Financial Planning Summit to shape FPSB's long-term strategy

FPSB expands its three-year strategic plan into "FPSB 2025," a long-term approach to establishing financial planning as profession

FPSB publishes its second global position paper, which includes proposed tenets for how professional bodies and regulators could work collaboratively to oversee the financial planning profession

FPSB conducts a global job analysis in 10 Member territories to determine how CFP professionals practice around the world

Five international working groups and expert panels develop guidance documents to assist FPSB Members and entrants to the financial planning profession in meeting FPSB's standards

Asociación Colombiana de Planeación Financiera (ACPF) joins FPSB as an Associate Member

FPSB has 23 full Members and 1 Associate Member

133,756 CFP professionals worldwide

# 2011

FPSB publishes findings of a two-year global job analysis study, evaluating the practice of 11,147 CFP professionals in 11 territories

FPSB develops a global CFP certification test specification based on its job analysis study

FPSB establishes global criteria for organizations seeking to serve as professional bodies for financial planning

FPSB approves *Financial Planner Duty of Care to Clients* principles

FPSB launches Financial Planet, a blogging site to promote financial planning as a profession

FPSB comments on suitability and mis-selling of complex financial products to Standing Committee 3 of the International Organization of Securities Commissions (IOSCO)

FPSB has 23 full Members and 1 Associate Member

139,818 CFP professionals worldwide

# 2012

FPSB meets in Dubai to engage potential Members in the Middle East, the first global meeting in a non-Member territory

FPSB becomes an affiliate member of IOSCO

FPSB and Cerulli Associates conduct research with CFP professionals in Austria, Germany and the U.K.

FPSB pilot tests a new education course in the U.K.: *Integrated Financial Planning: Developing Effective Financial Plans*

FPSB rolls out four new education courses to Members

FPSB partners with the Union of Financial Planners in Israel (UFPI) to directly offer CFP certification in Israel, a first for FPSB

FPSB has 23 full Members, 1 Associate Member and 1 Partner (UFPI)

147,822 CFP professionals worldwide



# 2013

FPSB Members reaffirm support for "FPSB 2025" and discuss new initiatives to support the strategy in the near-term

FPSB presents to IOSCO's Affiliate Member Consultative Committee, and participates in a global panel on financial literacy and investor education

FPSB adopts position on financial planner remuneration

FPSB directly administers CFP certification exam in Israel, certifying 60 candidates

FPSB adopts a revised global exam standard for CFP certification

FPSB and 12 Members partner with Comparator Benchmarking to conduct global research with 92 financial services firms on the value of CFP certification

Asociación Colombiana de Planeación Financiera (ACPF) becomes an Affiliate Member

Union of Financial Planners in Israel (UFPI) becomes an Associate Member

FPSB has 24 full Members and 1 Associate Member

153,376 CFP professionals worldwide

# 2014

FPSB Turkey joins FPSB as an Associate Member

FPSB completes governance review to position organization for growth

FPSB's Standards Committee revises standards for education, experience and financial plans

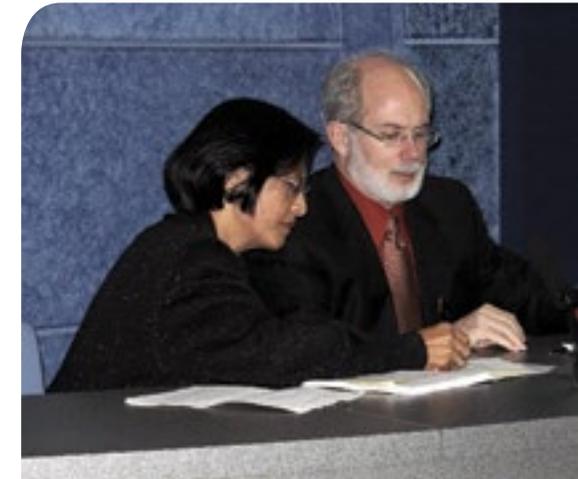
FPSB pilot tests a new course, *Financial Essentials: Engaging Clients for Life*, with South African financial services firm

FPSB engages European Securities and Markets Authority on MiFID II implementation

FPSB discusses national financial literacy strategies with Organisation for Economic Co-operation and Development (OECD)

FPSB celebrates its 10th anniversary on 1 December

FPSB has 24 full Members and 2 Associate Members



FPSB BOARD



2003



2006



2009



2012



2004



2007



2010



2013



2005



2008



2011



2014

FPSB  
COUNCIL

2005



2007



2006



2008



FPSB  
COUNCIL

2009



2011



2010



2012



FPSB  
COUNCIL

2013



2014



## THANK YOU

### 2014 FPSB Board of Directors

Steve Helmich, Chairperson

Sanjay Sachdev, CFP, Chairperson-elect

Noel Maye, CAE, FPSB CEO

Tom Cross Brown

Mari Emmanouilides, CFP

Ji (Jennifer) Huang

Timothy Kochis, CFP

Ian Johnston

Pamela Packard, CPA

Joy Thomas, FCPA, FCMA

FPSB would like to thank the many volunteers who have donated time and effort to serve on committees, working groups and panels over the past 10 years. FPSB could not have achieved this milestone anniversary without this ongoing support and input. Here's to the next 10 years!

### Former Chairpersons and Members of the FPSB Board of Directors

John Carpenter, 2003 Chairperson

Maureen Tsu, CFP, 2004 Chairperson

Timothy Kochis, CFP, 2005 Chairperson

Elaine Bedel, CFP, 2006 Chairperson

Margaret Koniuck, 2007 Chairperson

Selwyn Feldman, CFP, 2008 Chairperson

Stephen O'Connor, CFP, 2009 Chairperson

Corinna Dieters, 2010-2012 Chairperson

Karen Schaeffer, CFP, 2012 Chairperson

Steve Helmich, 2013 Chairperson

William Anthes

Joanne Bickel, CFP

Patrick Dufour, CFP

Louis Garday

Prem Govender, CFP

Ray Griffin, CFP

Peeyush Gupta

Shailesh Haribhakti, CFP

Ian Heraud, CFP

John Hewison, CFP

Barry Horner, CFP

Robert Hotchkiss

Don Johnston

James Kraft, CFP

Nicolas Koechlin, CFP

Juliana Lam, CFP

K.P. Liu, CFP

Luiz Maia

Ian Middleton, CFP

Suzue Sato

Peter Volpé, CFP

Jane Wheeler, CFP

Naoyuki Yoshino



e. [info@fpsb.org](mailto:info@fpsb.org)  
w. [www.fpsb.org](http://www.fpsb.org)



CERTIFIED FINANCIAL PLANNER | **CFP**

Financial Planning Standards Board Ltd. owns the CFP, CERTIFIED FINANCIAL PLANNER and CFP Logo marks outside the U.S., and permits qualified individuals to use these marks to indicate they have met FPSB's initial and ongoing certification requirements.