CFP BOARD

ETHICS CE: CFP BOARD'S REVISED *CODE AND STANDARDS*

ETHICAL PRACTICES FOR PROFESSIONALS

Your Instructor

CFP BOARD

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The content of this program is based on CFP Board's *Code of Ethics and Standards of Conduct* (*Code and Standards*), which is effective on October 1, 2019.

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Learning Objectives

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1. Identify the structure and content of the revised *Code and Standards*, including significant changes and how the changes affect CFP® professionals.
2. Act in accordance with CFP Board's fiduciary duty.
3. Apply the Practice Standards when providing Financial Planning.
4. Recognize situations when specific information must be provided to a Client.
5. Recognize and avoid, or fully disclose and manage, Material Conflicts of Interest.

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STRUCTURE, CONTENT AND SIGNIFICANT CHANGES

LEARNING OBJECTIVE 1

The Revised *Code and Standards*

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- Significant Changes to Content
- The New Structure and Organization
- Duties to:
  - Clients
  - Firms and Subordinates
  - CFP Board

Most Significant Changes to Content

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- Expanded Application of Fiduciary Duty
- Updated Duties to Clients
- Revised Definition of Financial Planning
- Modernized Practice Standards
- New Process for Bankruptcy
- Enhanced Requirements for Reporting

The Structure Has Changed

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Current Standards (Effective Until September 30, 2019)	Revised Standards (Effective October 1, 2019)
Introduction	Preamble
Code of Ethics and Professional Responsibility	Code of Ethics
Rules of Conduct	Standards of Conduct
Financial Planning Practice Standards	Practice Standards for the Financial Planning Process
Terminology	Glossary

Code of Ethics

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A CFP® professional must:

1. Act with honesty, integrity, competence, and diligence.
2. Act in the client's best interests.
3. Exercise due care.
4. Avoid or disclose and manage conflicts of interest.
5. Maintain the confidentiality and protect the privacy of client information.
6. Act in a manner that reflects positively on the financial planning profession and CFP® certification.

10

Standards of Conduct – Six Sections

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Duties Owed to Clients	Financial Planning and Application of Practice Standards
Practice Standards	Circumvention
Duties Owed to Firms and Subordinates	Duties Owed to CFP Board

11

Integrity, Competence, Diligence

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Integrity
- Honesty and candor that is not subordinated to personal gain or advantage
- Standard anti-fraud language

Competence
- Relevant knowledge and skill
- Gain competence, obtain assistance, limit or terminate engagement, and/or refer the Client

Diligence
- Timely and thorough

12

Objectivity, Professionalism, Communications

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Sound and Objective Professional Judgment
- Exercise professional judgment that is not subordinated.
- Avoid considerations that could compromise objectivity.

Professionalism
- Treat Clients and others with dignity, courtesy, and respect.

Client Communications
- Provide accurate information in an understandable manner and format.

Comply With the Law

13

Confidentiality/Privacy and Technology

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Confidentiality/Privacy
- Applies to non-public personal information (NPPI)
- Exceptions for ordinary business (four) and legal/enforcement (seven)
- Can't benefit from NPPI
- Must protect security and adopt, implement, and share written policies
- Safe Harbor for Reg S-P (or equivalent)

Technology
- Use reasonable care in selecting, using and recommending
- Have a reasonable understanding of assumptions and outcomes
- Have a reasonable basis for believing outcomes will be reliable, objective, and appropriate

Refrain from Borrowing, Lending, and Commingling Financial Assets

14

Representation of Compensation Method

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Key Terms and Concepts:

- Fee-Only and Fee-Based
- Sales-Related Compensation
- Related Party Compensation
- Representations by a CFP® Professional's Firm

15

Fee-Only Application

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16

Working With Additional Persons

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Duties When Engaging or Recommending
- Develop reasonable basis
- Disclose compensation arrangements

Duties When Engaging
- Exercise reasonable care

Duties When Working With Additional Persons
- Communicate about services and responsibilities
- Inform client if the other provider did not perform or uphold responsibilities

17

Duties Owed to Firms and Subordinates

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- Use Reasonable Care When Supervising
- Comply with Lawful Objectives of Firm
- Provide Notice of Public Discipline

18

Duties Owed to CFP Board

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- Avoid Adverse Conduct
- Report Incidents of Apparent Adverse Conduct Within Thirty Days
- Provide a Narrative Statement
- Cooperate with CFP Board
- Comply with the *Terms and Conditions of Certification and License*

19

Quick Review

CFP BOARD

- New **Structure** and **Organization**
- Duties to:
  - **Clients**
  - **Firms and Subordinates**
  - **CFP Board**

20

VIGNETTE

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Maintaining Confidentiality

- Leo's Client, Linda, has several children, including, Adam, who is 21. Linda set up UTMA custodial accounts to which she gifted a significant amount of money. In the past, Leo has provided Linda with information regarding the accounts. Leo met with Adam and advised him on investing the account and set up online access so he could withdraw money. At a recent meeting, Linda asked Leo to provide weekly updates on Adam's spending. Linda also asked Leo to provide her with notice of any large proposed account transfers so she can stop any actions with which she disagrees.

21

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Which of the following statements accurately describes Leo's obligations in this scenario?

- **Response Options:**

A. Leo should provide the requested information to Linda after having her execute a confidentiality agreement.
B. Leo should decline to provide the requested information to Linda because it would be a breach of confidentiality. In order to provide this information to Linda, Leo would need to obtain Adam's consent.
C. Leo should decline to provide any information that originated after Adam turned 21 and provide Linda with any information that originated prior to Adam turning 21.
D. Leo should provide the information to Linda because it would be in Adam's best interest, as he is making poor financial choices. Leo is able to make this disclosure to Linda because it is necessary to provide Adam with good Financial Advice.

22

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Correct Response: B is correct:

Despite Linda's prior involvement with the accounts, Adam is 21, owns his account, and is a separate and distinct Client. Under Standard A.9., information about his account activity is non-public personal information and there is no exception that would allow for disclosure of the requested information to Linda without Adam's consent. While Leo may believe it would be beneficial to Adam for Linda to be involved in his account, the proposed disclosure to Linda is not "necessary to perform those services," as set forth in Standard A.9.a.i.b. Linda is not part of Leo's team nor is she involved in providing services to Adam. In addition, while Linda may have acted as a representative for Adam in the past, it is clear based on his age and Linda's request that she no longer acts in that capacity. Therefore, Leo would not be permitted to make the disclosure to Linda. Leo would need to obtain Adam's consent to provide the requested information to Linda. C is not correct because Adam became the owner of the account when he became 21. As Linda ceased to be an owner of the account, Leo should not provide any information regarding the account to Linda.

23

Polling Questions

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1. There are new Duties to Clients when Selecting, Using, and Recommending Technology, Engaging, and Working with Additional Persons.
   Answer Options: True False
2. The term "fee-based" may only be used if the CFP® Professional satisfies the standard for being "fee-only."
   Answer Options: True False
3. There's been no change in the reporting to the CFP Board concerning events that may reflect a violation of the Code and Standards.
   Answer Options: True False

24

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CFP BOARD'S FIDUCIARY DUTY

LEARNING OBJECTIVE 2

The Fiduciary Duty

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- Includes a Duty of Loyalty, a Duty of Care, and a Duty to Follow Client Instructions
- Applies to all Financial Advice to a Client
- Defines Financial Advice Broadly

Fiduciary: Act in the Client's Best Interests

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Duty of Loyalty
- Place Client's interests ahead of your own
- Conflicts: avoid or fully disclose, obtain consent, & properly manage
- Act without regard to interests of others

Duty of Care
- Act with care, skill, prudence, and diligence
- Consider Client's goals, risk tolerance, objectives, and circumstances

Duty to Follow Client's Instructions
- Comply with Terms of Engagement
- Follow Client's reasonable and lawful directions

Applies to All Financial Advice

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Application
- "At all times when providing Financial Advice to a Client"
- More expansive than when providing Financial Planning

Who is a "Client"?
- Any person, including a natural person, business organization or legal entity
- To whom the CFP® professional provides or agrees to provide "Professional Services"
- Pursuant to an "Engagement"

28

Financial Advice Broadly Defined

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Financial Advice:

A. A communication that, based on its content, context, and presentation, would reasonably be viewed as a recommendation that the Client take a particular course of action with respect to:
   1. The development or implementation of a financial plan
   2. The value of or the advisability of investing in, purchasing, holding, or selling Financial Assets
   3. Investment policies or strategies, portfolio composition, or asset management
   4. The selection and retention of other persons to provide financial or Professional Services to the Client, or

B. The exercise of discretionary authority over Financial Assets.

29

Quick Review

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- ✓ Duty of **Loyalty**
- ✓ Duty of **Care**
- ✓ Duty to **Follow Client Instructions**
- ✓ Fiduciary Duty Applies to **All** Financial Advice
- ✓ Financial Advice **Broadly** Defined

30

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- **Duty of Care**
  - **Ray, a CFP® professional, asks his new Client Sue to complete his firm's required account opening forms. Later, Ray notices that Sue completed the forms inconsistently with respect to her risk tolerance. Sue indicated on one form that she cannot tolerate losing 5% of her investment but stated on another form that she has an aggressive risk tolerance.**
  - **Ray's supervisor learns that Sue selected an aggressive risk tolerance and urges Ray to consider a private placement investment for Sue with potentially large returns but substantial risk. After analysis, Ray determines that the investment would match Sue's stated risk tolerance. Ray explains the investment and Sue chooses to purchase the investment.**

31

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Which of the following statements about this scenario are true?

- **Response Options:**

A. Ray met his duty of care because he solicited information about Sue's risk tolerance and recommended an investment to Sue that matched that risk tolerance.

B. Ray violated his duty of care because a prudent CFP® professional acting with diligence would have spoken with Sue about the inconsistent risk tolerance information prior to recommending the investment.

C. Ray violated his duty of care to Sue because the investment itself is not appropriate for Sue.

D. Ray violated his duty of care because a prudent CFP® professional would have assumed that with Sue's fear of losing 5% of her investment she would want a conservative investment.

32

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Correct Response: B is correct.

- Under Standard A.1.b., a prudent CFP® professional would have been more diligent in exploring the inconsistent information that Sue provided about her risk tolerance before recommending an investment that matched an aggressive risk tolerance. Ray is unable to determine whether the investment is in Sue's best interests until he addresses the apparent inconsistency with Sue and develops a clear understanding of Sue's risk tolerance. D is incorrect because Ray should have had a discussion with Sue about the inconsistency in responses and should not assume what she wants.

33

Polling Questions

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1. A CFP® Professional may provide Financial Advice without owing a Fiduciary Duty.
   Answer Options: True False
2. In order for there to be Financial Advice, there must be compensation.
   Answer Options: True False
3. A CFP® Professional who provides marketing materials and general financial education materials is "Providing Financial Advice."
   Answer Options: True False
4. Duties of Loyalty, Care and to Follow Client Instructions are components of the Fiduciary Duty that is owed to Clients.
   Answer Options: True False

34

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APPLYING THE PRACTICE STANDARDS

LEARNING OBJECTIVE 3

Updated Practice Standards

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- Updated Financial Planning Definition
- A Revised Standard for Determining Whether the Practice Standards Apply
- Options When Required to Comply with the Practice Standards but the Client Does Not Want Financial Planning
- Documentation
- Updates to Steps in the Financial Planning Process

36

An Updated Financial Planning Definition

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Current Standards (Effective Until September 30, 2019)	Revised Standards (Effective October 1, 2019)
"Personal financial planning" or "financial planning" denotes the process of determining whether and how an individual can meet life goals through the proper management of financial resources. Financial planning integrates the financial planning process with the financial planning subject areas.	Financial Planning is a collaborative process that helps maximize a Client's potential for meeting life goals through Financial Advice that integrates relevant elements of the Client's personal and financial circumstances.

37

Application of the Practice Standards

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The Practice Standards Apply When:

- The CFP® professional agrees to provide or provides Financial Planning
- The CFP® professional agrees to provide or provides Financial Advice that requires integration of relevant elements to act in Client's best interests
- The Client has a reasonable basis to believe the CFP® professional will provide or has provided Financial Planning

38

When Integration Is Required

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The Integration Factors:

- Number of relevant elements
- Portion and amount of the Client's assets affected
- Length of time the Client's circumstances may be affected
- Effect on exposure to risk
- Barriers to modification of Financial Advice

39

CFP Board Evaluation

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- If CFP Board alleges a Practice Standards violation
- And the CFP® professional denies the allegations
- Then the CFP® professional has the burden of demonstrating that Financial Planning was not required

40

Clients Who Do Not Want Financial Planning

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If a CFP® professional otherwise must comply with the Practice Standards, but the Client does not agree to engage for Financial Planning, a CFP® professional must either:

- Not enter into the Engagement
- Limit the scope to services that do not require Financial Planning
- Provide the requested service but explain the benefits of Financial Planning and limitations on services
- Terminate the Engagement

41

Documentation Requirement

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If required to comply with the Practice Standards, a CFP® professional must act prudently in documenting information, taking into account:

- The significance of the information
- The need to preserve the information in writing
- The obligation to act in the Client's best interests and
- The CFP® Professional's Firm's policies and procedures

42

Current Practice Standards (Effective Until September 30, 2019)	New Practice Standards (Effective October 1, 2019)
1. Establishing and Defining the Relationship with the Client	Moved to Section A.10: Provide Information to a Client
2. Gathering Client Data	1. Understanding the Client's Personal and Financial Circumstances
	2. Identifying and Selecting Goals
3. Analyzing and Evaluating the Client's Financial Status	3. Analyzing the Client's Current Course of Action and Potential Alternative Course(s) of Action
4. Developing and Presenting the Financial Planning Recommendations (Identifying and Evaluating Alternatives)	
4. Developing and Presenting Financial Planning Recommendations (Developing Recommendations)	4. Developing the Financial Planning Recommendation(s)
4. Developing and Presenting Financial Planning Recommendations (Presenting Recommendations)	5. Presenting the Financial Planning Recommendation(s)
5. Implementing the Financial Planning Recommendations	6. Implementing the Financial Planning Recommendation(s)
6. Monitoring	7. Monitoring Progress and Updating

Steps 1-3: Circumstances, Goals, Options

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Step 1: Understanding Personal and Financial Circumstances
- Obtaining Qualitative and Quantitative Information
- Analyzing Information
- Addressing Incomplete Information

Step 2: Identifying and Selecting Goals
- Identifying Potential Goals
- Selecting and Prioritizing Goals

Step 3: Analyzing the Client's Current and Potential Alternative Course(s) of Action
- Analyzing Current Course of Action
- Analyzing Potential Alternative Course(s) of Action

Steps 4-5: Developing and Presenting

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Step 4: Developing the Financial Planning Recommendation(s)
- Select recommendation(s) to maximize Client potential for meeting goals
- For each recommendation, consider:
  - Assumptions and Estimates
  - Basis for Recommendation
  - Timing/Priority
  - Interdependency of Recommendation

Step 5: Presenting the Financial Planning Recommendation(s)
- Present recommendations
- Present information considered in developing the recommendation(s)

Steps 6-7: Implementing and Monitoring

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Step 6: Implementing the Financial Planning Recommendation(s)
- Address implementation responsibilities
- Identify, analyze and select actions, products and services
- Recommend actions, products, and services for implementation
- Select and implement

Step 7: Monitoring Progress and Updating
- Monitoring and updating responsibilities
- Monitor the Client's progress
- Obtain current qualitative and quantitative information
- Update goals, recommendations or implementation decisions

46

Quick Review

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- ✓ **Updated Definition** - Financial Planning
- ✓ **Revised Standard** - Determining Whether the Practice Standards Apply
- ✓ **Updated Steps** - Financial Planning Process

47

VIGNETTE

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- Practice Standards for the Financial Planning Process
- Lance, a CFP® professional, has an initial meeting with a new prospect, Shelly. After agreeing to prepare a financial plan, Lance gathers information about her personal and financial goals, needs and priorities. Shelly provides some documentation, but says she'll need more time to collect additional documents from home. Lance immediately begins reviewing the initial documents and developing recommendations and decides that Shelly's goals are outdated. Several weeks later, Lance presents Shelly with a financial plan that makes several recommendations he believes are in Shelly's best interest.

48

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Which of the following statements about this scenario are true?

- **Response Options:**

A. Lance complied with the first three steps of the Practice Standards by gathering Client data and developing recommendations.
B. Lance has not complied with the Practice Standards because he failed to: obtain information from Shelly; analyze the information to assess Shelly's personal and financial circumstances; and work with Shelly to identify and select goals. Lance also failed to analyze Shelly's current course of action prior to recommending an alternative course of action.
C. Lance has complied with the Practice Standards because he developed recommendations that he believes are in Shelly's best interests.

49

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Correct Response: B is correct.

- The revised Practice Standards for the Financial Planning Process are set forth in Section C of the revised *Code and Standards*. Under Standards C.1. and C.2., a CFP® professional must obtain information concerning the Client's personal and financial circumstances needed to fulfill the Scope of the Engagement, analyze the information to assess the Client's personal and financial circumstances, and then help the Client identify and select goals. The purpose of this revised process is to understand the Client's personal and financial circumstances before working collaboratively with the Client to identify and select goals. Standard C.3. also requires a CFP® professional to analyze a Client's current course of action and then analyze potential alternative courses of action, which Lance did not do in this case. A is incorrect because it reflects the process that was in place under the prior version of the Practice Standards. C is incorrect because Lance's belief that his recommendations are in the best interests of Shelly does not mean Lance complied with the Practice Standards.

50

Polling Questions

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1. A CFP® professional providing Financial Planning must document all communications with the Client.
   Answer Options: True False
2. There are seven steps in the Financial Planning process.
   Answer Options: True False
3. CFP® professional may limit the scope of the Engagement to services that do not require application of the Practice Standards.
   Answer Options: True False
4. A CFP® professional must analyze both quantitative and qualitative information.
   Answer Options: True False

51

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INFORMATION THAT MUST BE PROVIDED TO THE CLIENT

LEARNING OBJECTIVE 4

Providing Information to a Client

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- Timing, delivery, and updating requirements
- Eight categories of information must be provided
- Additional requirements when providing Financial Planning

53

Timing, Delivery, and Updating

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Timing:
- Prior to or at the time of the Engagement

Delivery:
- Financial Advice: No written requirement, but must document
- Financial Planning: Provide in one or more written documents
- Conflicts of Interest: Not required to be provided in writing, but evidence of oral disclosure will be given such weight

Updating:
- Ongoing duty to provide Client with a Material change or update
- Updates to disciplinary history or bankruptcies within 90 days

54

The Information That Must Be Provided

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A description of the services and products to be provided
How the Client pays for the products and services, and a description of the additional types of costs the Client may incur
How the CFP® professional, the CFP® Professional's Firm, and any Related Party are compensated for providing the products and services
Relevant websites that have information about disciplinary actions and bankruptcies
Other information that is Material to a Client's decision to engage or continue to engage
Full disclosure of all Material Conflicts of Interest
Policies regarding the protection, handling, and sharing of non-public personal information
Information required under the Engagement and in response to reasonable Client requests

Terms of Engagement

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When Providing Financial Planning: The Terms of the Engagement include:

(a) the Scope of the Engagement and any limitations,
(b) when the services will be provided, and
(c) the Client's Responsibilities

56

Quick Review

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- Information provided to Clients
- **Timing**, **Delivery**, and **Updating**

57

VIGNETTE

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- Provide Information to a Client

Carlos is a CFP® professional with no bankruptcy or disciplinary history. Jayla, a prospect, meets with Carlos and hires him for Financial Advice not requiring Financial Planning. Carlos orally discloses all Material Conflicts of Interest. Both sign a written Engagement describing the services and products to be provided, how Jayla pays for them, the additional types of costs Jayla may incur, and how Carlos, his firm, and Related Parties are compensated for providing the products and services. The agreement makes Jayla responsible for implementation, monitoring, and updating. Carlos provides another document describing his firm's policies regarding the protection, handling, and sharing of Jayla's non-public personal information.

58

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Has Carlos provided the required information to Jayla?

Response Options:

- A. Carlos has provided the required information set forth in the revised Code and Standards.
- B. Carlos has not provided the required information to Jayla because he cannot say that a Client is responsible for implementation, monitoring, and updating.
- C. Carlos has not provided the required information to Jayla because the agreement does not include a written disclosure of all Material Conflicts of Interest.
- D. Carlos has not provided all required information to Jayla because she failed to provide her with the location of the webpages where any governmental authority, self-regulatory organization, or professional organization that may set forth any public disciplinary history or personal bankruptcy or business bankruptcy where the CFP® professional was a Control Person.

59

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Correct Response: A is correct

- The agreement includes the information that Standard A.10 of the revised Code and Standards requires. Because Carlos does not have any bankruptcy or disciplinary history, Carlos is not required to disclose the location of the webpages of all relevant public websites of any governmental authority, self-regulatory organization, or professional organization that sets forth his public disciplinary history or any personal or business bankruptcy with respect to which the CFP® professional was a Control Person. B is not correct because the Code and Standards states that a CFP® professional is responsible for implementing, monitoring or updating the Financial Planning recommendations unless those services are specifically excluded from the Scope of Engagement. C is not correct because the Code and Standards does not require Conflict of Interest disclosures to be provided in writing. D is not correct because Carlos only would have to provide that information if there is a disclosure set forth on the relevant webpage. Since Carlos does not have a bankruptcy or disciplinary history, he does not need to provide the location of the webpage(s).

60

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RECOGNIZE AND AVOID OR DISCLOSE AND MANAGE CONFLICTS

LEARNING OBJECTIVE 5

Conflict of Interest Obligations

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- Avoid Material Conflicts of Interest
- For Material Conflicts that are not avoided:
  - Provide Full Disclosure
  - Obtain Informed Consent
  - Manage the Conflict in the Client's Best Interests

62

Duty to Fully Disclose Material Conflicts

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Disclosure Obligation:

- Fully disclose all Material Conflicts of Interest that could affect the professional relationship

Conflict of Interest Defined:

- When interests of CFP® professional (and firm) are adverse to the CFP® professional's duties to the Client, or
- When CFP® professional has duties to one Client that are adverse to another Client

Material:

- When a reasonable Client or prospective Client would consider the Conflict of Interest important in making a decision

63

Full Disclosure and Informed Consent

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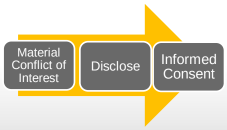
Disclose "Sufficiently Specific Facts"

- Would a reasonable Client understand the conflict and how it could affect the advice?
- Ambiguity interpreted in favor of the Client

Delivery:

- Written disclosure is not required
- Oral disclosure weighed as CFP Board deems appropriate



Obtain Informed Consent

- Written consent is not required
- When will consent be inferred?

Must Also Manage Conflicts

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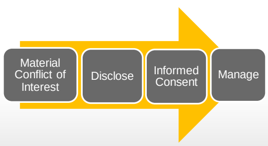
Management of Conflicts

- Must adopt and follow business practices reasonably designed to prevent Material Conflicts from compromising the CFP® professional's ability to act in the Client's best interests



Quick Review

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- ✓ **Disclose** Material Conflicts of Interest
- ✓ **Obtain** Informed Consent
- ✓ **Manage** the Conflicts

VIGNETTE

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- Sufficiently Specific Facts
- Charlie, a CFP® professional, is the sole owner and employee of Charlie Company, a small investment adviser and broker-dealer that has several Clients. In an effort to increase revenue, Charlie Company enters into revenue sharing arrangements with several mutual fund companies. Charlie realizes that he will have to disclose these arrangements to his Clients and decides to include the following disclosure in his Client agreement: "Charlie Company may receive revenue sharing when providing you with services."

67

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Is Charlie's Conflict of Interest disclosure adequate?

Response Options:

A. Yes. Charlie disclosed that he might receive revenue sharing, which is sufficiently specific information for a Client to give informed consent to the Conflict of Interest. A reasonable Client receiving the disclosure would understand the conflict and how it could affect the advice provided.

B. No. Charlie did not provide sufficiently specific information. Charlie should have explained revenue sharing, stated which products and services are involved in the revenue sharing arrangements, and informed his Clients that his receipt of revenue sharing payments presents a Conflict of Interest, so that his Clients would be able to understand the Conflict of Interest and how it could affect the advice provided.

C. Yes. Charlie disclosed that he might receive revenue sharing. Clients can ask for more information if they do not understand the conflict and how it could affect the advice provided.

D. No. Charlie failed to disclose to Clients in writing how he would manage the Conflict of Interest. As a result, no Client could give informed consent to the Conflict of Interest.

68

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Correct Response: B is the correct response.

- Under Standard A.5.a., Charlie needs to provide sufficiently specific information so that his Clients are able to understand any Conflicts of Interest and the business practice that gives rise to the Conflicts of Interest. Charlie should have at least explained revenue sharing and how his receipt of revenue sharing payments presents a Conflict of Interest, given that he has an economic incentive to recommend products or services that will result in revenue sharing payments to his firm. While Charlie is required to manage Conflicts of Interest, Charlie is not required to provide a written disclosure to his Client explaining how he will do so. Therefore, D is not the correct response.

69

Polling Questions

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1. A Conflict of Interest is present when the interests of the CFP® professional and the interests of the Client are adverse.
   Answer Options: True False
2. Ambiguity in a Conflict of Interest disclosure provided to a Client will be interpreted in favor of the Client.
   Answer Options: True False
3. Acting in the best interest of the Client excuses failure to make full disclosure of the Material Conflict of Interest.
   Answer Options: True False
4. A CFP® professional must adopt and follow business practices reasonably designed to prevent Material Conflicts of Interest.
   Answer Options: True False

70

QUIZ QUESTION #1

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Q1: How many steps are now in the Financial Planning Process?

Answer Options:

1. Six
2. Seven
3. Five
4. Eleven

QUIZ QUESTION #2

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Q2: The Professional Services to be provided pursuant to an Engagement is defined as the Scope of _________.

Answer Options:

1. Engagement
2. Responsibility
3. Authority
4. Planning

QUIZ QUESTION #3

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Q3: A CFP® professional must act as a ___________ at all times when providing Financial Advice to a Client.

Answer Options:

1. Investor
2. Planner
3. Fiduciary
4. Client

QUIZ QUESTION #4

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Q4: There is a ________ when a CFP® professional has duties to one Client that are adverse to another Client.

Answer Options:

1. Conflict
2. Advantage
3. Opportunity
4. Collusion

QUIZ QUESTION #5

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Q5: Professionals who exercise care, skill, prudence, and diligence to act in the best interest of the Client is fulfilling the ________.

Answer Options:

1. Duty of Loyalty
2. Duty to CFP Board
3. Duty to Follow Client's Instructions
4. Duty of Care

Recommended Resources

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Go to www.CFP.net

- Full version new *Code and Standards*
- Commentary on the new *Code and Standards*

76

DON'T FORGET….

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✓ **Importance of the Program Evaluation Form:**

The CFP Board Ethics CE Curriculum is designed to ensure all CFP ® professionals receive value for their time and perceive the content delivered as meaningful to their daily experiences. The Participant evaluation process is a critical component to ensuring The CFP Board meets this goal.

77

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Reporting of CE Credit Hour

- BEST will report your CE Ethics credit to the CFP Board within 24 hours of this webinar (meeting CE requirements).
- Student's will receive a Certificate of Completion with 14 days of the webinar participation.
- Must complete evaluation form to receive credit

78

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THANK YOU

79