

PROFESSIONAL SKILLS

	PS. 1 Ethical Judgement	PS. 2 Practice	PS. 3 Communication	PS. 4 Cognitive
INDICATORS OF PERFORMANCE	PS.101 Establishes client relationships based on trust	PS.201 Complies with relevant financial services laws and regulations	PS.301 Gives attention to what clients and others are saying and takes time to understand the points being made	PS.401 Uses mathematical methods or formulas as appropriate
	PS.102 Offers and provides professional services with integrity	PS.202 Adheres to professional code of ethics and standards of professional practice	PS.302 Establishes good rapport and relationships with clients and others	PS.402 Gathers data and integrates information from a variety of sources to arrive at a solution
	PS.103 Demonstrates objectivity in providing professional services	PS.203 Makes appropriate judgements in areas not addressed by existing ethical or practice standards	PS.303 Communicates information and ideas orally in a manner understandable to clients and others	PS.403 Uses logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems
	PS.104 Acts in the best interest of the client in providing professional services	PS.204 Maintains awareness of changes in the economic, political and regulatory environment	PS.304 Communicates information and ideas in writing in a manner understandable to clients and others	PS.404 Considers the relative costs and benefits of potential actions to choose the appropriate one
	PS.105 Recognizes limits of competence and voluntarily seeks the counsel of and/or defers to other professionals when appropriate	PS.205 Engages in continuous learning to ensure currency of knowledge and skills	PS.305 Presents logical and persuasive rationales	PS.405 Makes informed professional decisions when faced with incomplete or inconsistent information
	PS.106 Performs professional services in a manner that is fair and reasonable	PS.206 Conducts appropriate research when performing analysis and developing strategies	PS.306 Deals effectively with objections and complaints	
	PS.107 Provides appropriate and timely disclosure of conflicts of interest to clients and others	PS.207 Exercises substantial autonomy and initiative in the performance of professional activities		
	PS.108 Maintains confidentiality of all client information	PS.208 Exercises responsibility for own and/or firm's ability to deliver services to a client for the duration of engagement		
	PS.109 Acts in order to reflect credit upon the profession			
	PS.110 Acts diligently in providing professional services			



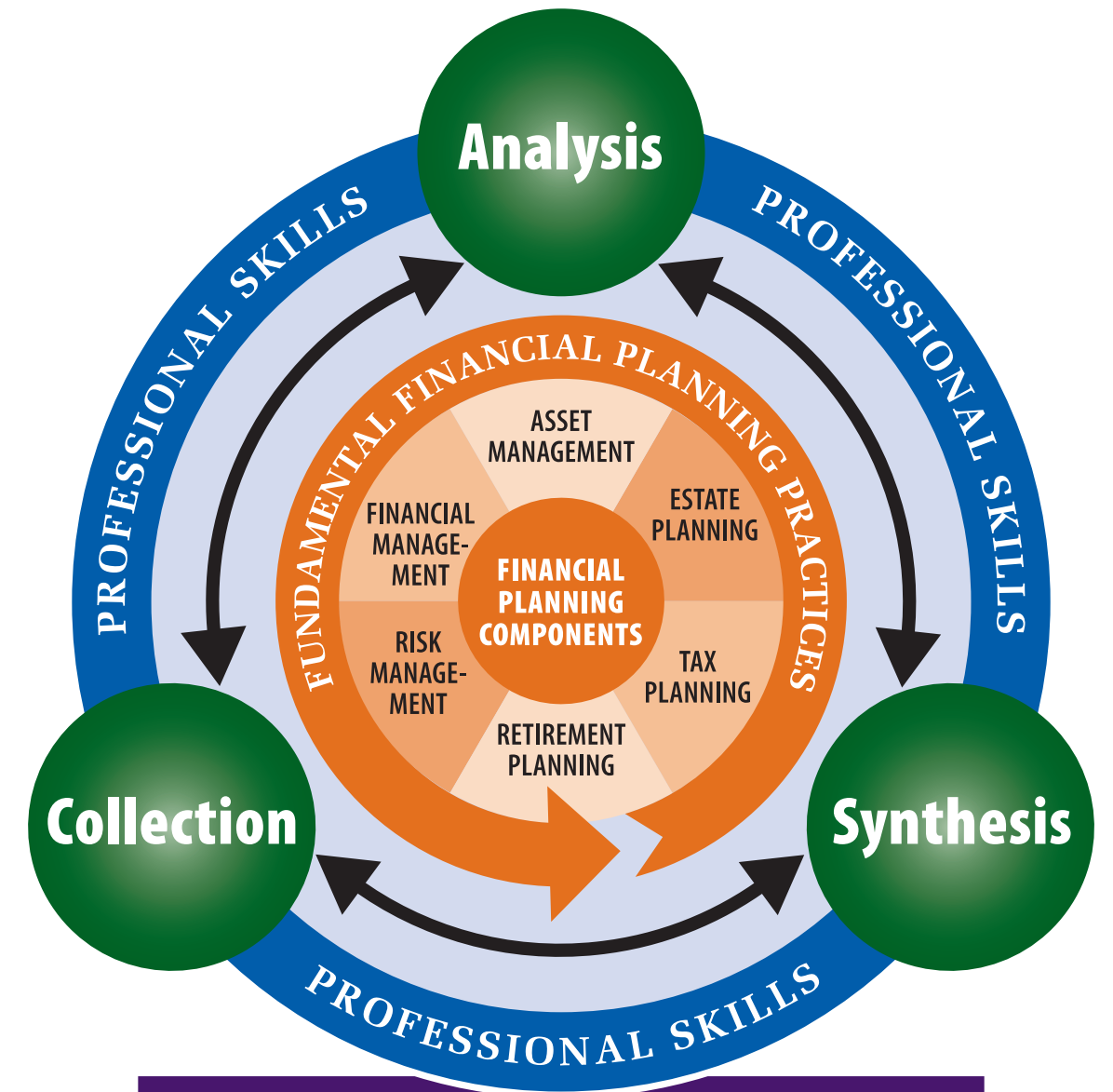
**Take the
next step.**

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CFP® PROFESSIONAL COMPETENCY PROFILE



TECHNICAL KNOWLEDGE

A Graphic Overview

CFP® PROFESSIONAL COMPETENCY MATRIX

FINANCIAL PLANNING FUNCTIONS

<h1 style="font-size: 48px; margin: 0;">1</h1> <h3 style="margin: 0;">COLLECTION</h3> <p style="margin: 0;">Collects the information required to develop a financial plan</p>	<h1 style="font-size: 48px; margin: 0;">2</h1> <h3 style="margin: 0;">ANALYSIS</h3> <p style="margin: 0;">Identifies potential opportunities and constraints and assesses information to formulate strategies</p>	<h1 style="font-size: 48px; margin: 0;">3</h1> <h3 style="margin: 0;">SYNTHESIS</h3> <p style="margin: 0;">Synthesizes information to formulate and evaluate strategies to develop a financial plan</p>
Fundamental Financial Planning Practices	<ul style="list-style-type: none"> 1.001 Identifies the client's objectives, needs and values that have financial implications 1.002 Identifies the information required for the financial plan 1.003 Identifies the client's legal issues that affect the financial plan 1.004 Determines the client's attitudes and level of financial sophistication 1.005 Identifies material changes in the client's personal and financial situation 1.006 Prepares information to enable analysis 	<ul style="list-style-type: none"> 2.001 Analyzes the client's objectives, needs, values and information to prioritize the financial planning components 2.002 Identifies inter relationships among financial planning components 2.003 Identifies opportunities and constraints and assesses collected information across financial planning components 2.004 Assesses the impact of economic, political and regulatory environments 2.005 Measures the progress towards achievement of objectives of the financial plan

CORE FINANCIAL PLANNING COMPETENCIES

		1.1 Collects the quantitative information required to develop a financial plan	1.2 Collects the qualitative information required to develop a financial plan	2.1 Identifies potential opportunities and constraints	2.2 Assesses information to formulate strategies	3.1 Formulates and evaluates strategies to develop a financial plan
FINANCIAL PLANNING COMPONENTS	Financial Management	<ul style="list-style-type: none"> 1.101 Collects information regarding the client's assets and liabilities 1.102 Collects information regarding the client's cash flow, income and/or obligations 1.103 Collects information necessary to prepare a budget 1.104 Prepares statements of the client's net worth, cash flow and budget 	<ul style="list-style-type: none"> 1.201 Determines the client's propensity to save 1.202 Determines how the client makes spending decisions 1.203 Determines the client's attitudes towards debt 	<ul style="list-style-type: none"> 2.101 Determines whether the client is living within financial means 2.102 Determines the issues relevant to the client's assets and liabilities 2.103 Determines the client's emergency fund provision 2.104 Identifies potential cash management vehicles 	<ul style="list-style-type: none"> 2.201 Assesses whether the emergency fund is adequate 2.202 Assesses the impact of potential changes in income and expenses 2.203 Identifies conflicting demands on cash flow 2.204 Assesses financing alternatives 	<ul style="list-style-type: none"> 3.101 Develops financial management strategies 3.102 Evaluates advantages and disadvantages of each financial management strategy 3.103 Optimizes strategies to make financial management recommendations 3.104 Prioritizes action steps to assist the client in implementing financial management recommendations
	Asset Management	<ul style="list-style-type: none"> 1.105 Collects information necessary to prepare detailed statement of investment holdings 1.106 Determines the client's current asset allocation 1.107 Identifies cash flows available for investment 	<ul style="list-style-type: none"> 1.204 Determines the client's experience with and attitudes and biases towards investments 1.205 Determines the client's investment objectives 1.206 Determines the client's tolerance for investment risk 1.207 Identifies the client's return expectations 1.208 Identifies the client's time horizon 	<ul style="list-style-type: none"> 2.105 Calculates required rate of return to reach client's objectives 2.106 Determines the characteristics of investment holdings 2.107 Determines the implications of acquiring/disposing of assets 2.108 Identifies potential investment vehicles 	<ul style="list-style-type: none"> 2.205 Assesses whether investment return expectations are consistent with risk tolerance 2.206 Assesses whether asset holdings are consistent with risk tolerance and required rate of return 	<ul style="list-style-type: none"> 3.105 Develops asset management strategies 3.106 Evaluates advantages and disadvantages of each asset management strategy 3.107 Optimizes strategies to make asset management recommendations 3.108 Prioritizes action steps to assist the client in implementing asset management recommendations
	Risk Management	<ul style="list-style-type: none"> 1.108 Collects details of the client's existing insurance coverage 1.109 Identifies potential financial obligations 	<ul style="list-style-type: none"> 1.209 Determines the client's risk management objectives 1.210 Determines the client's tolerance for risk exposure 1.211 Determines relevant lifestyle issues 1.212 Determines health issues 1.213 Determines the client's willingness to take active steps to manage financial risk 	<ul style="list-style-type: none"> 2.109 Determines characteristics of existing insurance coverage 2.110 Identifies potential risk management vehicles 	<ul style="list-style-type: none"> 2.207 Assesses exposure to financial risk 2.208 Compares the client's risk exposure to current coverage 2.209 Assesses the implications of changes to insurance coverage 2.210 Prioritizes the client's risk management needs 	<ul style="list-style-type: none"> 3.109 Develops risk management strategies 3.110 Evaluates advantages and disadvantages of each risk management strategy 3.111 Optimizes strategies to make risk management recommendations 3.112 Prioritizes action steps to assist the client in implementing risk management recommendations
	Tax Planning	<ul style="list-style-type: none"> 1.110 Collects the information necessary to establish the client's tax position 1.111 Identifies taxable nature of assets and liabilities 1.112 Identifies current, deferred and future tax liabilities 1.113 Identifies parties relevant to the client's tax situation 	<ul style="list-style-type: none"> 1.214 Determines the client's attitudes toward taxation 	<ul style="list-style-type: none"> 2.111 Reviews prior years' tax returns, notices of assessment and other tax documents 2.112 Identifies potential tax strategies and structures 	<ul style="list-style-type: none"> 2.211 Evaluates existing tax strategies and structures for suitability 2.212 Assesses financial impact of tax planning alternatives 	<ul style="list-style-type: none"> 3.113 Develops tax planning strategies 3.114 Evaluates advantages and disadvantages of each tax planning strategy 3.115 Optimizes strategies to make tax planning recommendations 3.116 Prioritizes action steps to assist the client in implementing tax planning recommendations
	Retirement Planning	<ul style="list-style-type: none"> 1.114 Collects the details of potential sources of retirement income 1.115 Collects the details of estimated retirement expenses 	<ul style="list-style-type: none"> 1.215 Determines the client's retirement objectives 1.216 Determines the client's attitudes towards retirement 1.217 Determines the client's comfort with retirement planning assumptions 	<ul style="list-style-type: none"> 2.113 Develops financial projections based on current position 2.114 Determines if the client's retirement objectives are realistic 2.115 Identifies potential retirement planning vehicles 	<ul style="list-style-type: none"> 2.213 Assesses financial requirements at retirement date 2.214 Assesses the impact of changes in assumptions on financial projections 2.215 Assesses trade-offs necessary to meet retirement objectives 	<ul style="list-style-type: none"> 3.117 Develops retirement planning strategies 3.118 Evaluates advantages and disadvantages of each retirement planning strategy 3.119 Optimizes strategies to make retirement planning recommendations 3.120 Prioritizes action steps to assist the client in implementing retirement planning recommendations
	Estate Planning	<ul style="list-style-type: none"> 1.116 Collects legal agreements and documents that impact estate planning strategies 	<ul style="list-style-type: none"> 1.218 Identifies the client's estate planning objectives 1.219 Identifies family dynamics and business relationships that could impact estate planning strategies 	<ul style="list-style-type: none"> 2.116 Projects net worth at death 2.117 Identifies constraints to meeting the client's estate planning objectives 2.118 Identifies potential estate planning vehicles 	<ul style="list-style-type: none"> 2.216 Calculates potential expenses and taxes owing at death 2.217 Assesses the specific needs of survivors 2.218 Assesses the liquidity of the estate at death 	<ul style="list-style-type: none"> 3.121 Develops estate planning strategies 3.122 Evaluates the advantages and disadvantages of each estate planning strategy 3.123 Optimizes strategies to make estate planning recommendations 3.124 Prioritizes action steps to assist the client in implementing estate planning recommendations