

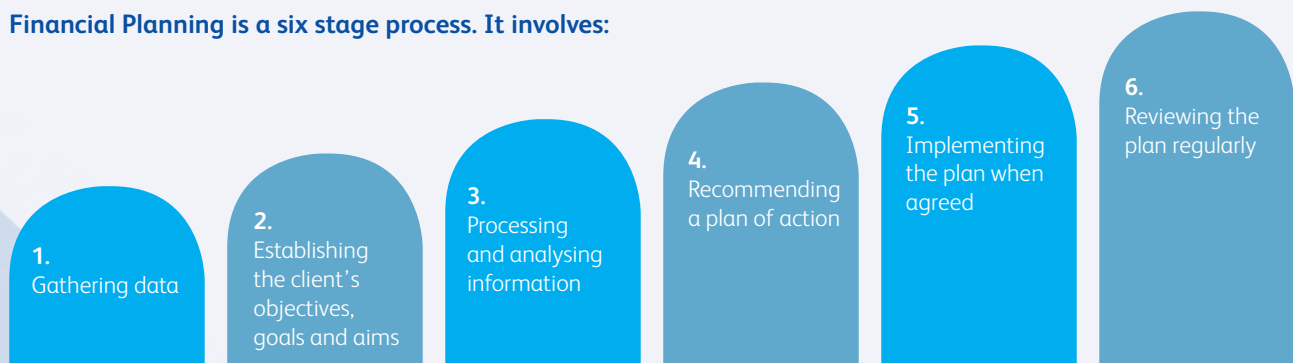
Guidance for firms on applying for registration as an IFP Accredited Financial Planning Firm™

Applicant firms must comply with the criteria outlined below if they are to be accepted onto the Institute of Financial Planning's (IFP) Accredited Financial Planning Firm™ Register.

The IFP's fundamental requirement for registration as an Accredited Financial Planning Firm™ is the nature of the Financial Planning service provided by the firm to its clients. The firm must have a defined process for Financial Planning which meets the IFP 'six stage' definition, and is offered to clients as a key part of their service.

Financial Planning is defined as the process of developing strategies to assist clients in managing their financial affairs to meet life goals. Lifetime cashflow modelling/planning must form a key part of the firm's Financial Planning process.

Financial Planning is a six stage process. It involves:



Guidance on each section of the application is given below.

1 Your firm's details

Please provide details on the firm and its principals/directors. This should demonstrate that the firm has an effective business and governance structure supporting a Financial Planning focus, with clearly defined roles and responsibilities for staff (organisation chart required) and appropriate levels of experience and qualifications.

The firm should appoint a named individual as its key contact for liaison with the IFP. This person will act as the main point of contact in relation to matters involving the firm's status as an Accredited Financial Planning Firm™. This will include responsibility for ensuring the firm's ongoing compliance with the IFP requirements relating to Accredited Financial Planning Firms™, including use of the Accredited Financial Planning Firm™ logo under this agreement, ongoing administration including any necessary field visits, and to support the renewal process.

The firm should also nominate an individual to support the IFP in the promotion of Financial Planning.

This individual should possess the appropriate knowledge and skills to support media work including promotion of Financial Planning as part of the IFP's annual Financial Planning Week campaign. This individual may or may not be the same named individual as the key contact named above. Any activity will be discussed with the individual prior to agreement.

The firm must notify the IFP immediately of any change to their key contact or media contact.

Consumers will be able to search the register for Accredited Financial Planning Firms™. In order to facilitate this, please confirm which regions of the UK you operate in.

2 Your firm's FSA registered adviser details

The firm must ensure its staff are appropriately trained and qualified for their roles, identify all FSA registered advisers and whether they deliver Financial Planning.

On application, at least 50% of the firm's FSA registered advisers must be qualified as a CERTIFIED FINANCIAL PLANNER^{CM} professional or Chartered Financial Planner (with AF5) and, where staff changes impact this calculation, must re-establish this level within 12 months. At least one director/partner of the firm must be a current CERTIFIED FINANCIAL PLANNER^{CM} professional.

To ensure consumers will receive Financial Planning services from a suitably qualified individual, all advisers directly providing the Financial Planning service to clients on the firm's behalf will have been tested on the application of their Financial Planning skills at an advanced level and successfully obtained passes in either CFP Certification or the CII examination AF5, Financial Planning Process, or will be mentored/supervised by such an adviser.

All advisers will be members of a relevant professional body and agree to abide by that body's Code of Ethics and Practice Standards. This professional body may or may not be the adviser's accredited body.

3 Your firm's Financial Planning process

The firm's marketing materials should clearly show the details of its Financial Planning service and client proposition. Firms will be asked to supply the IFP with evidence of both a recent financial plan and a review financial plan issued to clients over the past six months. We assume these would be for separate clients, but the aim is to evidence Financial Planning both at the outset of the relationship and ongoing.

The firm must comply with the following requirements to demonstrate it offers true Financial Planning:

- Confirm Financial Planning is core to the business.
- Confirm that ALL staff are aware of the Financial Planning proposition and how it differs from financial advice.
- Confirm that policies and procedures are consistent with the IFP's Code of Ethics and Practice Standards (copies of these are available on the IFP website).
- Confirm that structures reflect a clear fiduciary responsibility to clients.
- Provide clarity of the cost of its services to clients and a copy of the firm's fee structure should accompany the application.
- Confirm that the fee structure is consistent and company-wide.
- Follow a clear investment philosophy which is well documented and visible to clients. Details of the investment philosophy should be provided.
- Some clients may want specific advice but firms are expected to focus on full Financial Planning and, as it is a key part of the six stage process, firms are asked to confirm what proportion of their clients receive cashflow modelling and what software tools are used in this process.
- Firms should have Paraplanners in place or use a recognised outsourcing service.

4 Professional standards

The firm must confirm that it operates an effective CPD system and detail the tools used.

The firm must also confirm the number of complaints (as defined by FSA) that it has received in the last 12 months and if any are outstanding.

Finally, the firm must confirm that it is solvent and that it anticipates no change to that status.

The firm is expected to have an appropriate professional development programme in place for its employees via its Training and Competence (T&C) Scheme. Evidence of this should be submitted along with the initial application.

5 Supplementary information checklist

Evidence can be provided as documents or with appropriate references to published material on the firm's website.

6 Agreement details

To submit your application or discuss any part of the agreement please contact:

Steve Gazzard
Operations Director
Institute of Financial Planning
Whitefriars Centre
Lewins Mead
Bristol
BS1 2NT

Tel: 0117 945 2470

Email: steve@financialplanning.org.uk