



August 21, 2017

CFP Board  
1425 K Street NW #800  
Washington, DC 20005

**RE: Proposed Changes to CFP Board Standards of Professional Conduct**

To Whom It May Concern:

On behalf of the American Institute of Certified Public Accountants (AICPA) and the Personal Financial Planning Executive Committee, thank you for the opportunity to comment on the CFP Board proposal for revising its Code of Ethics and Standards of Conduct. As a fellow standard-setting body for professionals in personal financial planning, we commend the Board for strengthening its standards, which is a positive step forward in protecting the public interest.

CPAs are licensed and regulated by their state boards of accountancy and all AICPA members are required to follow rigorous standards of professional conduct which state, among other requirements, that they:

- serve the best interest of the public when providing financial services;
- act with integrity, objectivity, due care, and competence;
- fully disclose any conflicts of interest, obtain client consent when a conflict exists, and terminate the engagement when objectivity is impaired;
- maintain client confidentiality; and
- disclose to the client the amount and other elements of compensation received including commissions or referral fees.

CPA financial planners have certain strict obligations relating to the management of conflicts of interest, documentation requirements and compensation disclosures as addressed in the [AICPA Code of Professional Conduct](#) and [Statement on Standards in PFP Services](#).

We encourage the CFP Board to bridge the gap between these AICPA enforceable standards and your proposed standards, in order to protect the best interest of the public and to provide greater consistency across the financial planning profession since we share common members and certificants. We suggest considering the following areas to further strengthen the CFP Board proposed standards:

**Application of the Practice Standards**

We believe that all professional standards should be grounded in protecting the best interest of the public. To align with this, the CFP certificant should follow the practice standards at all times or the CFP Board should provide clarity around when the Standards of Conduct, in whole or in part, would not apply to the CFP certificant. For example, the application of paragraph B3 on page 9 is unclear since it does not specify Practice Standards for the Financial Planning Process, simply Practice Standards (which could infer all of what is written in Section A).

### **Management of Conflicts of Interest and Documentation Requirements**

The proposed standards would allow the CFP certificant to manage conflicts of interest through disclosure and informed consent from the client. If objectivity is impaired by a conflict of interest, the CFP certificant should be required to terminate the financial planning engagement in order to maintain the ability to place the interests of the client above the interests of the CFP certificant and the CFP certificant's firm. The CFP certificant should be encouraged to document both the disclosure and informed consent.

### **Compensation Disclosures and Documentation Requirements**

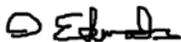
In addition to the elements of compensation required to be disclosed as outlined in the proposed standards, the CFP Board should be more specific regarding when CFP certificants are required to disclose in writing the amount of compensation to be received in order to enhance transparency with the client.

The comments and recommendations included in this letter were developed by the AICPA Responsibilities in Personal Financial Planning Services Task Force and approved by the AICPA Personal Financial Planning Executive Committee.

The AICPA is the world's largest member association representing the accounting profession, with more than 418,000 members in 143 countries, and a history of serving the public interest since 1887. AICPA members represent many areas of practice, including business and industry, public practice, government, education and consulting. Approximately 120,000 AICPA members advise individual, family and business owner clients on personal financial planning matters, including estate, retirement, risk management, investments, and tax planning while protecting the best interest of the public. The AICPA sets ethical standards for the profession, offers specialized credentials including the Personal Financial Specialist, and drives professional competency development to advance the vitality, relevance and quality of the profession.

We appreciate your consideration of these comments and welcome the opportunity to discuss these ideas further. Please feel free to contact Sarah Bradley, Senior Manager, AICPA PFP Division at (919) 402-4038 or [sarah.bradley@aicpa-cima.com](mailto:sarah.bradley@aicpa-cima.com).

Respectfully,



Dirk Edwards, CPA/PFS, JD, MBA

Chair, AICPA Responsibilities in Personal Financial Planning Services Task Force