



FINANCIAL PLANNING STANDARDS BOARD INDIA

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Process to Conduct Background Checks before issue of CFP^{CM} Certification



Financial Planning's Highest Global Standard

Process for Conducting Background Checks – Conferring CFP^{CM} Certification

It is as much required to induct in the domain of CFP^{CM} Certificants a prospective candidate with a clean historical background as it is to monitor the ethical and professional conduct of a certified individual. A clean background means that the candidate does not have a prior history of crime including financial crime, litigation for professional misconduct or financial misappropriation, et al, and any other disciplinary proceedings in the organization he/she has served for. The candidate's professional competence apart, it is imminent to verify a prospective candidate's public profile in the best interests of the society which the candidate would serve as certificant. Any such precedence in the case of a candidate would require FPSB India to fully satisfy themselves of the non-indulgence in the said activities by the candidate and possibly a proof of his/her acquittance from the said charge, proceeding or litigation.

Given the limitations of FPSB India as a private organization, the voluntary nature of the certification it confers, the resource and time constraints, and the limitation of the process of background verification itself, FPSB India cannot go beyond compiling and relying on publicly available information. The following is therefore suggested to be carried out along with the candidate's personal declaration and special declaration by an authorized professional or employing organization or a quasi-judicial authority assigned for such authentications and notified by FPSB India.

1. A database of the orders issued by various regulatory, self-regulatory or professional organizations shall be maintained and updated. Such orders may serve to ban, debar or suspend registered constituents, agents, professionals under the regulatory ambit of these organizations. Such organization are:

A. Regulators

- i) Securities and Exchange Board of India (SEBI)
- ii) Insurance Regulatory and Development Authority (IRDA)
- iii) Pension Fund Regulatory and Development Authority (PFRDA)
- iv) Reserve Bank of India (RBI)

B. Other Self-regulatory Bodies

- i) Association of Mutual Funds in India (AMFI)
- ii) National Stock Exchange of India Limited (NSEIL)
- iii) Bombay Stock Exchange Limited (BSE)

C. Professional Bodies

- i) Institute of Chartered Accountants of India (ICAI)
- ii) CFA Institute (US)

- iii) Institute of Company Secretaries of India (ICSI)
- iv) Institute of Cost & Work Accountants of India (ICWAI)

D. Criminal Investigation Bodies

- i) Central Bureau of Investigation (CBI)
- ii) Criminal Investigation Department (CID)
- iii) Serious Frauds Investigation Office (SFIO)

E. Other Information Depositories

- i) Credit Information Bureau (India) Limited (CIBIL)
- ii) National Securities Depository Limited (NSDL)
- iii) Central Depository Services Limited (CDSL)

2. These databases shall be updated once in a week, preferably every Monday.
 3. The database of individuals against whom some proceedings are initiated by these agencies will be monitored separately.
 4. One combined file, Master Database, shall be maintained which will list alphabetically all names in these individual databases.
 5. Before a batch of certification is processed the prospective name of certificants shall be cross-checked against this Master Database.
 6. Any case found in such databases shall not be processed for certification and a separate proceeding will be initiated to cross-check antecedents and further confirmation before the matter is taken up with the individual for further details.
 7. Unless and until the full satisfaction of the acquittal of the candidate from charges, etc. is attained, the certification exercise shall not be proceeded with.
 8. In case of a candidate found to be involved in any cases, the certification will be withheld.
 9. In case, a candidate is acquitted of charges in future, the original documents will be sought from the candidate to be produced for scrutiny and verification along with a signed declaration from such candidate of his being free from the alleged charges and accusations or a proof of acquittal from proceedings and litigations. The candidate shall undertake to apprise FPSB India of any developments post-acquittal which may seriously endanger his/her claim of practising Financial Planning as was foreseen prior to his/her acquittal from the case.
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