

# NACFF™

National Association of  
Certified Financial Fiduciaries



## CF2 Certified Financial Fiduciary® Program Policies and Procedures Manual

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## 1. Overview

This CF2 Certified Financial Fiduciary Policies and Procedures Manual (“Manual”) is for you, whether you are seeking certification from the National Association of Certified Financial Fiduciaries (“NACFF” “we” “us”) or seeking to maintain your CF2 CERTIFIED FINANCIAL FIDUCIARY® certification (“CF2 Certification”). This Manual also details how our staff, committees, volunteers and contractors are involved in the processes and rules associated with this certification.

Our association was created to provide financial professionals with the information, tools and resources to ensure that they comply with all laws, regulations and best practices for protecting consumers in a fiduciary role. We own, protect and allow qualified individuals to use the certification marks CF2 and CF2 CERTIFIED FINANCIAL FIDUCIARY and Design (collectively “CF2 Certification Marks”).

We are accredited under the standards created and maintained by the International Organization for Standardization (“ISO”) and the International Electrotechnical Commission (“IEC”), specifically the *Conformity assessment — General requirements for bodies operating certification of persons* standard (“ISO/IEC 17024”). We follow ISO/IEC 17024 to create and maintain a set of guidelines, procedures and rules for certification of individuals (which, collectively, ISO/IEC refers to as a “certification scheme”), detailing the scope of certification, job and task descriptions, required competence, prerequisites, our CF2 Certification code of conduct (“CF2 Code of Conduct”) and details about the process of CF2 Certification. Accreditation indicates that NACFF operates CF2 Certification in a consistent, comparable and reliable manner, and assures the public that a CF2 Certified professional meets the requirements of CF2 Certification.

CF2 Certification is the only certification that focuses solely on assessing financial professionals as true fiduciaries. CF2 Certification is geared for financial professionals, including:

- Financial planners and advisors;
- Certified and non-certified financial planners;
- Insurance agents involved with financial services products;
- Attorneys involved with estate planning; and
- Certified Public Accountants (CPAs).

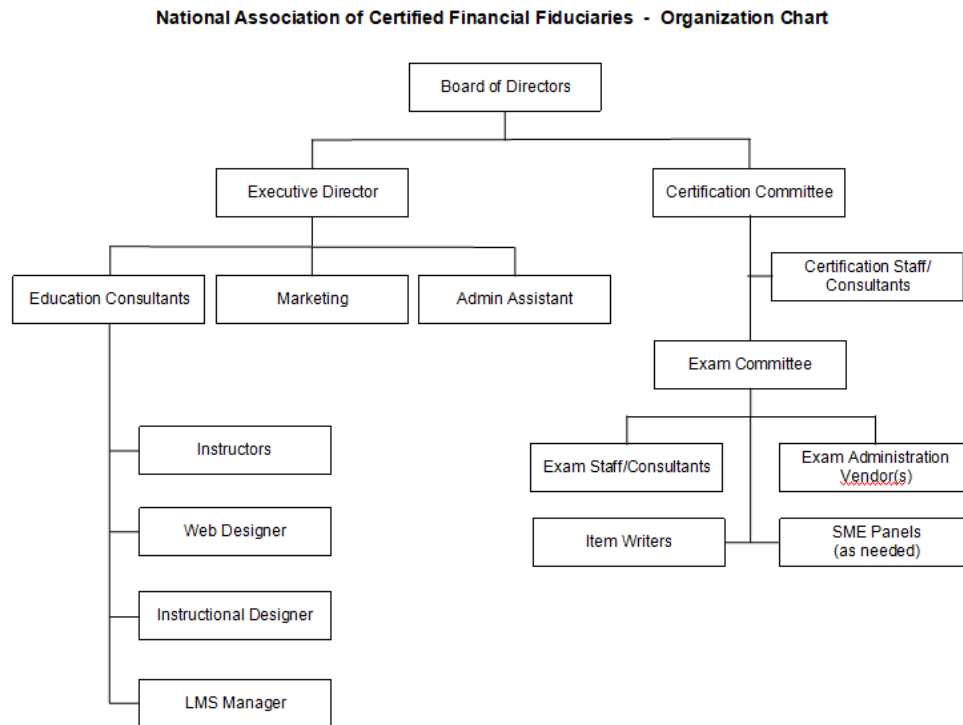
In addition to administering the CF2 Certification examination (“CF2 Exam”) and issuing CF2 Certifications to qualified individuals, we provide both a comprehensive fiduciary training program and establish requirements for third party-provided training programs related to CF2 Certification.

## 2. CF2 Certification Activities

### 2.1 Administrative Activities

We rely on the knowledge, experience and service to the profession from many volunteers. Our Executive Director maintains day-to-day oversight of NCAFF activities and engages contractors to provide specific duties and to maintain a separation between our training and certification activities. The key decision-making roles related to CF2 Certification are detailed below.

Our Board of Directors has overall responsibility for ensuring that CF2 Certification programs comply with ISO/IEC 17024 and meet the highest standards of professionalism for practice as a fiduciary. As detailed on the chart below (“Organization Chart”), the Board of Directors is directly responsible to ensure that the NCAFF staff (“Staff”), NCAFF contractors (“Contractors”) and committees that deliver our CF2 Certification programs comply with all of our then-current policies and procedures.



As detailed in this Manual, the Board of Directors ensures that our Staff, Contractors and volunteers have adequate education and experience to perform their duties. When needed, we seek external, expert advice to develop qualifications required of our Staff, Contractors and volunteers to assist us to select qualified personnel. We supplement our Staff’s knowledge with training on the specifics of our CF2 Certification activities and keep our training up to date.

As a certifying organization, we:

- Are responsible for, retain authority for and do not delegate, our decisions relating to CF2 Certification, including granting, maintaining, recertifying, expanding and reducing the scope of the CF2 Certification and suspending or withdrawing the CF2 Certification;
- Ensure that our CF2 Certification activities are not influenced by any commercial, financial or other pressures that would compromise our impartiality;
- Do not, as required by all applicable laws and regulations, discriminate in our programs or activities on the basis of race, color, national origin, sex, age, disability or any other recognized basis;
- Are committed to providing accommodations for people with disabilities in compliance with federal laws;

- Will maintain the list of requirements for CF2 Certification on the Website to allow any individual who wishes to understand the requirements for CF2 Certification to easily access that information; and
- Will apply all our policies and procedures equally to each individual who has applied for CF2 Certification (“Applicants”), to each Applicant who has been accepted to take the CF2 Exam (“Candidates”) and to CF2 Certified professionals.

### 2.1.1 Certification and Exam Committees

The Certification Committee has authority over the CF2 Certification program and directs Staff to perform the responsibilities of the Director of Certification and Exams.

The Exam Committee reports to the Certification Committee and oversees the work of Contractors, panels and vendors involved in the development and delivery of the CF2 Exam. We use a Contractor as the CF2 Exam Manager and a Contractor as a psychometrician.

We document the qualifications, training, experience, professional affiliations, professional status, competence and known conflicts of interest for each volunteer on our Certification Committee and our Exam Committee. We store this information securely in the folders for the appropriate calendar year.

The Certification Committee is responsible for:

- Establishing procedures relating to the CF2 Certification program including:
  - Maintaining the CF2 Certification scheme;
  - Updating requirements to become a CF2 Certified professional;
  - Establishing educational equivalency standards; and
  - Updating requirements to maintain CF2 Certification, including acceptable continuing education (“CE”);
- Approving or denying applications for CF2 Certification, recertification and reinstatement;
- Overseeing the CF2 Exam program;
- Adjudicating CF2 Certification-related complaints and violations;
- Overseeing Staff functions related to approving CF2 Certifications, issuing certificates (“CF2 Certificates”) and handling complaints, disciplinary activities and appeals; and
- Overseeing ISO/IEC 17024 accreditation activities and keeping records that relate to our fulfillment of ISO/IEC 17024.

Our Certification Committee developed and maintains CF2 Certification, documenting:

- Involving subject matter experts (“SMEs”);
- Ensuring that the CF2 Certification structure fairly represents the interests of stakeholders significantly concerned without any interest predominating;

- Identifying and aligning:
  - Prerequisites with competence requirements;
  - Assessment mechanism(s) with competence requirements; and
  - Recertification and reinstatement requirements with competence requirements; and
- Conducting and updating job or practice analysis to:
  - Identify the tasks for successful performance;
  - Identify the required competence for each task;
  - Identify prerequisites (if applicable);
  - Confirm the assessment mechanisms and examination content; and
  - Identify recertification requirements and intervals.

At least once every five years and in advance of any new job or practice analysis, our Certification Committee reviews, directly or through panels that they appoint, the complete CF2 Certification process to ensure that it is relevant to current practice. The Certification Committee seeks the input of individuals who can contribute to the review from the pool of CF2 Certified professionals, educators, regulators and individuals involved in consumer advocacy.

### 2.1.2 Staff

We maintain and update specific job-task requirements for all of our Staff. We also document the qualifications, training, experience, professional affiliations, professional status, competence and known conflicts of interest for all Staff that provide required certification services. We store this information securely in Staff folders.

Our Staff is responsible for:

- Leading and coordinating other Staff, SMEs and Contractors;
- Updating our Organization Chart when necessary;
- Overseeing the maintenance and development of the NACFF website (“Website”), including updating lists of CF2 Certified professionals and those who have been disciplined or whose CF2 Certification has been revoked;
- Implementing procedures relating to the CF2 Certification program including:
  - CF2 Certification requirements;
  - CF2 Certification-related complaints and violations; and
  - NACFF marketing and promotion activities; and
- Ensuring security throughout the CF2 Certification process and taking corrective actions when security breaches occur.

### 2.1.3 Contractors

We enter into agreements with outside individuals and entities (“Contractors”) to provide to us services related to the CF2 Certification process. These outsource agreements require, among other things, compliance with our confidentiality and conflict of interest policies.

We document the qualifications, training, experience, professional affiliations, professional status, competence and known conflicts of interest for our Contractors. We store this information securely in Contractor folders.

We use Contractors to:

- Prepare, analyze and report on financial fiduciary job research;
- Develop and maintain of the CF2 Exam, with input and assistance from SMEs;
- Manage day-to-day operations of our CF2 Certification-related and CF2 Exam-related committees and panels;
- Manage CF2 Exam-delivery vendors; and
- Analyze and provide recommendations on improving CF2 Exam elements and form.

For the CF2 Certification and CF2 Exam functions that we assign to Contractors, we:

- Take full responsibility for all contracted and outsourced work;
- Ensure that each Contractor is competent and complies with the applicable provisions of ISO/IEC 17024;
- Assess and monitor each Contractor’s performance in accordance with our procedures;
- Keep records to demonstrate that each Contractor’s work meets all requirements relevant to the assigned work; and
- Maintain a list of Contractors.

### 2.1.4 CF2 Exam Personnel

We engage Contractors to manage the CF2 Exam in order to separate duties between our educational functions and our certification functions. Our Staff leadership and instructors who are involved in our education and training program are not involved in the CF2 Exam. Volunteers involved in the CF2 Exam are not involved in our training programs.

### 2.1.5 Volunteers

Our volunteers are representative of the professionals working in the field and are similar to individuals who we approve to take the CF2 Exam. Volunteers can be individuals who have taken the CF2 Exam and not yet received their score or who have failed the CF2 Exam and are retaking the CF2 Exam. We periodically review our volunteers for effectiveness and equity. We require volunteers who have any potential conflict of interest with an Applicant to notify us about that potential conflict, and we will ensure that volunteer does not work with that Applicant.



We also use volunteers from groups or organizations that have an interest in NACFF, including educators, students, Applicants, Candidates, CF2 Certified professionals, professionals, professional societies, financial services firms, regulators, consumers, consumer advocacy organizations. These stakeholders may include consumers of financial advice services, educators of financial services professionals, financial service regulators and individuals involved with consumer advocacy.

## 2.2 Records and Security

We maintain all CF2 Certification records securely and permit access only to only those individuals who have a need to access such records. Our CF2 Certification records include:

- Requests for CF2 Certification applications;
- Applications for CF2 Certification, whether approved or not;
- Internal forms that we use to determine eligibility for CF2 Certification;
- Internal communications that we use to determine eligibility for CF2 Certification;
- Complaints regarding Applicants, Candidates, individuals holding CF2 Certification and formerly CF2 Certified professionals;
- Recertification applications and forms used to recertify individuals;
- Internal documents and communications that our Certification Committee produces and uses when handling appeals; and
- Internal documents and communications that our Complaint Review Committee produces and uses when handling complaints; and
- CF2 Exam data, including raw CF2 Exam data, score reports and pass/fail status data.

We also retain CF2 Certification records pertaining to:

- CF2 Certified professionals, including their applications, recertification forms, CF2 Exam score reports, final outcomes of any adjudication process and all signed ethical declarations for at least ten years after the expiration and non-renewal of that individual's CF2 Certification or revocation of that individual's CF2 Certification;
- Applicants, where the individual either did not complete the process within three years after their application or where we denied CF2 Certification for at least five years after the date of last activity; and
- Complaints against CF2 Certified professionals where we concluded that the complaint did not have merit or where we took no disciplinary action for at least three years after the date of last activity.

## 2.3 Confidentiality

We consider as confidential all information about Applicants, Candidates and CF2 Certified professionals except as noted below. We maintain this information using the same care as other NACFF confidential information, whether in hard copy or electronic form. We limit access to these files to authorized employees and authorized Contractors who need to know the information. Due to our dual, separate functions, we also

limit information from being shared between those involved with separate functions.

### 2.3.1 Confidential Records Between Training and Certification

We ensure that records of individuals receiving training or who have completed our training programs are not shared with our Staff, committees and consultants involved in our CF2 Certification program. However, our training program Staff and consultants may:

- Confirm to CF2 Certification program Staff and consultants, in support of an Application, that the Applicant has successfully completed one or more of our training programs; and
- Forward to the CF2 Certification program and consultants calls or emails received from Applicants asking questions about CF2 Certification.

We do not share with our Staff, Contractors or others involved in our training program any records of individuals seeking CF2 Certification, in the process of CF2 Certification or holding the CF2 Certification unless that the information is publicly available. CF2 Certification program Staff and Contractors do not divulge CF2 Exam scores or pass/fail status to our Staff or Contractors in our training program.

We do not treat as confidential any information that is publicly available or that is published on the Website (e.g. CF2 Certified professional's names and dates of CF2 Certification in our directory of certified individuals, in which CF2 Certified professionals must opt in to be listed). We will only release other information about a CF2 Certified individual if we have on file a written and signed release from that CF2 Certified professional agreeing to the release of that information.

We may release confidential information if we are required by law, but only after we first notify the applicable individual.

We require our Staff and Contractors, when hired or contracted, to sign agreements under which the Staff member or Contractor attests to their competence, agrees to comply with our rules, confidentiality and impartiality requirements and agrees to disclose potential and actual conflicts of interest. Staff and Contractors are required to notify our management about any a potential conflict of interest with regard to an Applicant, Candidate or CF2 Certified professional.

## 2.4 Conflicts of Interest

We understand the importance of impartiality in carrying out our CF2 Certification activities and we manage conflicts of interest and ensure the objectivity of our CF2 Certification activities.

Our Staff, Contractors, committees and panels apply our CF2 Certification policies and procedures equally to all certification Applicants, Candidates and CF2 Certified professionals.

We constantly monitor our certification activities, including the actions of our Staff, Contractors and volunteers, to minimize and eliminate potential or actual conflicts of interest. We encourage our Staff, Contractors and volunteers to report promptly to our leadership any actual or potential conflicts of interest, including:

- A Staff member, Contractor or volunteer who is involved in both education and certification activities.

- A volunteer SME that is involved in certification item writing who works closely with current Candidates.

When a potential or actual conflict of interest is identified, our leadership will assign an appropriate individual or entity to investigate. For example, should the conflict involve Staff leadership, we will assign the Board of Directors to investigate. Should the conflict involve a volunteer, we will assign the Certification Committee to investigate.

#### 2.4.1. Staff Seeking CF2 Certification

We bar Staff members who intend to seek CF2 Certification from involvement in the CF2 Exam program (including prohibiting access to CF2 Exam materials other than those provided to all Applicants and Candidates) for at least three years before that Staff member submits an application for CF2 Certification.

#### 2.4.2. CF2 Certified Staff Seeking Recertification

We require our Staff members, including our Executive Director, who hold CF2 Certification to submit their applications for recertification directly to the Certification Committee, which will make recertification (or reinstatement) decisions in executive session. The Certification Committee is responsible for ensuring that these Staff members have met all recertification or reinstatement requirements, including completing the required CE.

#### 2.4.3. Training Staff Involved in CF2 Certification

We bar Staff members, including our Executive Director, who are involved in our training programs from being involved in the CF2 Certification program, including preparing Candidates for the CF2 Exam, having access to the CF2 Exam, reviewing applications for CF2 Certification or the CF2 Exam, approving third party-provided training paths, approving CE, or being involved in issuing CF2 Certification, recertification or reinstatement.

### 3. CF2 Certification Process

#### 3.1 Requirements

If you are a financial professional seeking to obtain CF2 Certification, you must:

- Submit a complete CF2 Certification application;
- Have:
  - A current, active professional financial certification/designation; or
  - A current, active professional financial license (securities, insurance, accounting, etc.); or
  - A combination of education and experience that our Certification Committee deems satisfactory;
- Pass a full background check and be in good standing with all applicable state and federal license requirements (you may appeal a negative decision on this requirement);

- Successfully complete:
  - NACFF one day in-person training; or
  - NACFF online training course; or
  - An NACFF-approved training program for financial fiduciary practice;
  - An education or training program that substantially covers the CF2 Learning Outcomes, detailed above and as determined by the Certification Committee; or
  - Petition the Certification Committee to have your prior education or work experience or both considered as an equivalent. You must provide documentation showing how your education or work experience or both satisfy each CF2 Learning Outcome. The Certification Committee must approve your petition and information by a majority vote of all Committee members.
- Complete the CF2 Certification application and have your application approved by NACFF;
- Agree to the CF2 Exam terms, including upholding the confidentiality of CF2 Exam content;
- Pass the CF2 Exam;
- Agree to uphold the highest moral, ethical and fiduciary standards of service when providing advice to your potential or existing Clients, as detailed in the CF2 Code of Conduct; and
- Sign an agreement under which you will agree to:
  - Comply with CF2 Certification requirements;
  - Use the Certification Marks only during the time that you are a CF2 Certified professional (“CF2 Certification Term”);
  - Make claims regarding certification only within the scope of CF2 Certification;
  - Not use the CF2 Certification Marks in a way that brings us or CF2 Certification into disrepute;
  - Not make statements that we think are misleading or unauthorized, not use your CF2 Certificate in a misleading manner, and
  - Discontinue all claims and references to CF2 Certification or us and return your CF2 Certificate to us, when your CF2 Certification is suspended, revoked or withdrawn; and

### 3.1.1 Application

To become an Applicant, you must complete and send to us a CF2 Certification application, available on our Website or provided to you when you are enrolled in a CF2 Certification related training program. The application requires that you provide information about yourself, your background and your agreement to uphold the CF2 Code of Conduct.

### 3.1.2 Job and Task Description

In your application for CF2 Certification, you must show that you have:

- A current, active professional financial certification/designation; or

- A current, active professional financial license (securities, insurance, accounting, etc.); or
- A combination of education and experience that our Certification Committee deems satisfactory.

### 3.1.3 Required Competence

To receive and maintain your CF2 Certification, you must demonstrate that you are competent in each of the following areas (“CF2 Learning Outcomes”) and others that the Certification Committee may determine and require:

#### 1. Fiduciary Standard Overview

- 1.1. Identify the origins of the CF2 Certification standard
- 1.2. List key points that have significant impact on the financial services industry
- 1.3. Pinpoint crucial factors that influenced the U.S. Securities and Exchange Commission (“SEC”) and U.S. Department of Labor (“DOL”) to make changes
- 1.4. Recognize key facts that demonstrate how conflicted advice is problematic to the financial services industry

#### 2. The Role of Fiduciaries in the Financial Services Industry

- 2.1. Define fiduciary
- 2.2. Describe the purpose and regulatory responsibility of ERISA
- 2.3. Explain how ERISA currently defines “investment advice” and what triggers fiduciary responsibility
- 2.4. Recognize the role the DOL plays in regulating ERISA fiduciary standards
- 2.5. Explain how the SEC and Investment Advisers Act of 1940 regulate Investment Advisers as Fiduciaries
- 2.6. State how broker/dealers and their registered representatives differ from Registered Investment Advisers (RIAs) and their Investment Adviser Representatives

#### 3. The Best Interest Standard of Care

- 3.1. Accurately define the best interest standard of care
- 3.2. Identify the key factors necessary to maintain this standard at all times
- 3.3. Discern the difference between best interest and best practice
- 3.4. Comply with both best interest and best practice standards

#### 4. The CF2 Certification Standard

- 4.1. Describe what a holistic fiduciary practice is
- 4.2. Identify the fiduciary duties a CF2 Certified professional must provide to Clients
- 4.3. Recognize, disclose and mitigate conflicts of interest
- 4.4. Name key factors necessary to protect a Client’s privacy and confidentiality
- 4.5. Describe fair and reasonable fee structures

- 4.6. Comply with the relevant laws governing the financial services industry
- 4.7. Accurately define the suitability standard
- 4.8. Accurately define the CF2 Certification standard
- 4.9. Ensure all requirements are being met when the CF2 Certification standard is being applied
- 4.10. Ensure all requirements are being met when the suitability standard is being applied
- 4.11. Examine different case studies and determine which standard was applied to provide advice or recommendations to an investor
- 4.12. Recognize the importance of utilizing financial planning software to document each stage of the planning process
- 4.13. Describe what to look for in a fiduciary software platform that supports a best interest planning process
- 5. CF2 Certified Professional Responsibilities of Insurance Agents
  - 5.1. Recognize the distinction between insurance agents and insurance brokers
  - 5.2. Describe an insurance agent's fiduciary responsibilities to the Client
  - 5.3. Describe an insurance agent's fiduciary responsibility to the company or firm
  - 5.4. Describe an agent's fiduciary loyalty obligations to the represented insurer
  - 5.5. Identify common conflicts of interest that insurance agents face
  - 5.6. Recognize how to satisfy Client expectations without breaching fiduciary responsibilities
  - 5.7. Examine case studies
- 6. Holistic Fiduciary Planning
  - 6.1. Establish a holistic fact-finding process to gain a clear and precise understanding of the Client's needs
  - 6.2. Work diligently with Clients to identify and establish appropriate goals and objectives
  - 6.3. Analyze, compare and distinguish Client scenarios (current and suggested)
  - 6.4. Develop relevant and applicable proposals using due diligence, prudence and care
  - 6.5. Objectively educate the Client about the subject matter before making recommendations
  - 6.6. Present recommendations clearly and accurately so the Client gains a comprehensive understanding of the circumstances as well as the potential consequences of their action or inaction to the recommendations
  - 6.7. Develop a process to implement agreed-upon recommendations
  - 6.8. Establish a system for monitoring, reviewing and adjusting the recommended plan
- 7. Breaching Fiduciary Duty
  - 7.1. Identify real-world examples of breaches of fiduciary duty
  - 7.2. Avoid situations that could cause a breach of fiduciary duty

## 8. Financial Education

- 8.1. Identify key factors that establish the importance of financial education and the role it plays in helping to eliminate financial illiteracy
- 8.2. Create and implement a fiduciary (best interest) approach to gaining Clients and growing their practice by providing financial education classes
- 8.3. Effectively educate Clients before making recommendations to reduce confusion, increase engagement and improve conversion rates while limiting risk for the Client, the advisor and the supervisory firm
- 8.4. Leverage financial education classes with the CF2 Certification to establish credibility and trust

### 3.1.4 Education/Training

If you are applying for CF2 Certification, there are several ways you can meet the CF2 Certification education/training requirements. You may successfully complete:

- NACFF one day in-person training; or
- NACFF online training course; or
- An NACFF-approved training program for financial fiduciary practice;
- An education or training program that substantially covers the CF2 Learning Outcomes, detailed above and as determined by the Certification Committee; or
- Petition the Certification Committee to have your prior education or work experience or both considered as an equivalent. You must provide documentation showing how your education or work experience or both satisfy each CF2 Learning Outcome. The Certification Committee must approve your petition and information by a majority vote of all Committee members.

### 3.1.5 CF2 Code of Conduct

We are dedicated to setting and promoting standards of excellence for financial professionals who act as fiduciaries when providing retirement advice to existing or potential Clients. We recognize the importance of promulgating a code of conduct for individuals holding CF2 Certification, emphasizing a team approach to financial advising and relying on the competency, knowledge, professionalism, integrity, objectivity and responsibility of each person seeking and holding CF2 Certification.

To this end, as a Candidate or a CF2 Certified professional, you agree to uphold the highest moral and ethical standards detailed in the CF2 Code of Conduct and to maintain an ongoing commitment to the NACFF concept and standard of excellence when acting as a fiduciary. You must practice a fundamental obligation to always put your Client's best interest first at all times, not simply when dealing with retirement assets.

You must:

- **Practice the Duty of Loyalty.** First and foremost, always put your Client's best interest first.
- **Practice the Duty of Good Faith.** Always treat all Clients fairly.
- **Practice the Duty of Good Care.** Always exercise the skill of an expert and to only advise in those areas where expert skill level has been obtained.

- **Educate First.** Provide comprehensive and unbiased education to Clients before making specific suggestions or providing advice.
- **Take a Holistic Approach.** Consider all aspects and factors that affect a plan before making suggestions or providing advice.
- **Fully Disclose.** Fully divulge all fees and commissions and disclose any conflicts of interest and disciplinary actions.
- **Maintain Confidentiality.** Protect and keep all Client information confidential and securely stored and transmitted.
- **Behave Professionally.** Practice in a manner that does not bring disrepute to the profession, to the CF2 Certification Marks or to fellow professionals.
- **Keep NACFF Informed.** Report to NACFF on professional practice management and any disciplinary actions taken by regulatory bodies to ensure that the CF2 Code of Conduct is met at all times.

We may periodically post updates to this CF2 Code of Conduct on our Website at <https://nationalcffassociation.org/code-of-conduct>.

### 3.1.6 CF2 Exam

You can find current details about the CF2 Exam on our Website or you will be provided those details during CF2 Certification training.

You must register for your CF2 Exam online through our CF2 Exam Contractor. At that time, you will be able to choose a convenient time and date to take the CF2 Exam from several offered dates and times.

CF2 Exams are proctored online, allowing you to take the CF2 Exam from your home or office.

At the date and time that you selected for your CF2 Exam, you must confirm your identity, refrain from bringing unauthorized aids into the examination area and sign an agreement or other agreement that you will not release CF2 Exam materials or content and not participate in fraudulent test taking practices.

## 3.2 Decisions on CF2 Certification

### 3.2.1 Application Review

When we receive your application for CF2 Certification, our Staff will promptly review the application. If you submit an incomplete application or the wrong fees, we will notify you.

We will process complete applications in accordance with our policies and procedures. We will provide you with information on how to complete the application, take the CF2 Exam and comply with CF2 Certification ethical policies.

In order to process your CF2 Certification application without unnecessary delays, our Staff will:

- Process your application if it has no disqualifying information and you have passed our background



check and allow you to move to the next step in the CF2 Certification process; or

- Notify our Certification Committee that your application has disqualifying information or our background check revealed disqualifying information and request their review. Certification Committee members will review each application presented as soon as practicable and note any concerns. If a Committee Member:
  - Is satisfied that you have met all the CF2 Certification prerequisites, that member will vote in the affirmative that your application should be approved. If a majority of Certification Committee members approve your application, our Staff will notify you that you can move to the next step in the CF2 Certification process; or
  - Believes that your application requires full Certification Committee consideration, we will hold your application until the Chairperson is able to convene a Certification Committee call to resolve any issues. On that call, if a majority of Certification Committee members reject your application, or if there is a tie vote, the Certification Committee members rejecting your application will note their reasons for rejection and our Staff will notify you that your application was rejected, summarizing the Certification Committee comments. If your application is rejected, you may cure the deficiencies giving rise to that rejection with no time limit for doing so.

If we deny your application, we will notify you via email, provide to you the Committee's rationale and return to you your application fee (less processing fees).

We will not grant CF2 Certification if you have not completed all the requirements successfully.

The Certification Committee will keep a record of all applications denied and the bases for those denials to facilitate the similar evaluation of future applications.

### 3.2.2 Application Notice

If we accept your application, we notify you via email. If you have not yet enrolled in a CF2 Certification course, we will give you instructions on how to do so in the same email.

### 3.2.3 Certification Notice

We will notify you via email whether you have passed or failed the CF2 Exam.

### 3.2.4 Issuance of CF2 Certificates

When you complete all the CF2 Certification requirements, we will issue to you a Certificate indicating your CF2 Certification and notify you that you may use the CF2 Certification Marks. All Certificates remain our property and we may require you to return them to us when we demand. We will ensure that printed Certificates are designed to minimize unauthorized duplication.

We may also provide to you a digital badge indicating your CF2 Certification. Like the Certificates, we will control the digital badges. We may, in our sole discretion, revoke a digital badge or cease the use of all digital badges without notification to any CF2 Certified professional.

## 3.3 Scope of CF2 Certification

### 3.3.1 CF2 Certificates

When issued, your CF2 Certificate will include:

- Your name;
- The date that we issued the CF2 Certification;
- The expiration date for the current CF2 Certification Term;
- A unique number identifying you;
- Our name, trademarks and contact information (including URL);
- The title of the CF2 Certification, including the CF2 Certification Marks; and
- A signature from our leadership.

### 3.3.2 Permitted Uses of CF2 Certification Marks

We own, protect and allow only qualified individuals to use the CF2 Certification Marks. You may use the CF2 Certification Marks only during the CF2 Certification Term and only after written notice from us.

You may not use the CF2 Certification Marks when:

- You are an Applicant;
- You are a Candidate;
- Your CF2 Certification has lapsed, been suspended or been revoked; or
- We notify you that you may not use the CF2 Certification Marks.

If you hold CF2 Certification, we will allow you to use the CF2 Certification Marks only during your CF2 Certification Term. We will provide you, periodically, with rules on how you may use the CF2 Certification Marks and you will confirm that you will abide by these rules. We will monitor your use of the CF2 Certification Marks and will notify you if you use the CF2 Certification Marks incorrectly or without authorization. You will stop using the CF2 Certification Marks when your CF2 Certification Term expires and not renewed, or when your CF2 Certification is revoked.

Our educational program materials may refer to the CF2 Certification Marks when describing the benefits of completing the education and CF2 Certification. Our educational materials do not directly or indirectly imply that, if you complete our education program, you will receive CF2 Certification. In addition, our educational materials make clear that only individuals who complete all CF2 Certification requirements may hold themselves out as a CF2 Certified professional.

If you become aware of any misuse of the CF2 Certification Marks, notify us immediately. If we become aware of any misuse of the CF2 Certification Marks, we will take immediate action to stop such misuse and, if necessary, exercise all available legal options.

## 4. Post-Certification

### 4.1 Recertification

If you become a CF2 Certified professional, your professional obligations continue. As our industry continually changes, maintaining your CF2 Certification will depend on you acting in accordance with the CF2 Code of Conduct, always putting your client's best interests first and, when we require, demonstrating your expert knowledge of up-to-date fiduciary standards.

During your CF2 Certification Term, you must promptly notify us of any matters that can affect your ability to continue to fulfil your CF2 Certification requirements.

You must renew your CF2 Certification:

- Before the end of the CF2 Certification Term listed on your CF2 Certification certificate; or
- If we notify you about significant changes in regulations, the fiduciary industry or CF2 Certification requirements.

This renewal process is called *recertification*. To recertify, you must:

- Complete an online survey to ensure your ongoing compliance with financial fiduciary best practices;
- Submit, via the NACFF portal, email or mail, proof that you have met the then-current CF2 Certification minimum CE requirements;
- Pay the then-current recertification fee; and
- Attest, via electronic or paper means, that you uphold the CF2 Code of Conduct and all NACFF policies and procedures and rules for use of the CF2 Certification Marks.

Although we will notify you at least 30 days before the expiration of your CF2 Certification, we are not responsible for lost notices or your failure to recertify on time.

If you submit an incomplete or inaccurate recertification application or documentation, we will notify you and you will have 30 days to correct the deficiencies. We audit approximately ten percent of CF2 Certified professionals each year and if we audit you, you must provide to us the information that we request.

When we receive your submission, our Staff will review:

- Your best practices survey to determine if your business practices comply with the requirements for CF2 Certification. If our Staff has any questions about your satisfactory compliance with requirements, the Certification Committee will review your responses and may approve or deny those responses or ask you for additional information; and
- Evidence of your CE hours and that those hours are from courses to the CF2 Exam specification. If our Staff is unable to link the CE course submitted to a CF2 Exam specification, they will submit the information to the Certification Committee for a majority vote on approval or denial of those CE courses. If we deny a CE course, we will contact you and allow you to submit additional documentation that you have met the CE requirement.

If we approve your recertification application, we will send to you notice that details your new CF2 Certification Term and a new digital badge, and we will update your new Certification Term on our public registry

## 4.2 Reinstatement

If you allow your CF2 Certification to lapse and you want to be a CF2 Certified professional, the duration between the end of your CF2 Certification Term and your attempt to recertify is important. If you file to recertify:

- Within 90 days after the end of your CF2 Certification Term, you must submit a CF2 Certification Annual Renewal Form, comply with all recertification requirements and pay the then-current reinstatement fee and late fee.
- Between 91 days and one year after the end of your CF2 Certification Term, you must submit a Reinstatement Application, comply with all recertification requirements, pay the then-current reinstatement fee and late fee and submit documentation showing that you completed 15 CE hours;
- Between 91 days and two years after the end of your CF2 Certification Term, you must submit a Reinstatement Application, comply with all recertification requirements, pay the then-current reinstatement fee and late fee and submit documentation showing that you completed 20 CE hours;
- Between 91 days and three years after the end of your CF2 Certification Term, you must submit a Reinstatement Application, comply with all recertification requirements, pay then-current reinstatement fee and late fee and submit documentation showing that you completed 30 CE hours.

If you allow your CF2 Certification to lapse and do not file a Recertification Application within three years after the end of your CF2 Certification Term, you must, if you want to be a CF2 Certified professional, start the CF2 Certification process from the beginning, including meeting the education and CF2 Certification requirements then in effect for new Applicants.

If we do not accept your Reinstatement Application, we will refund to you half of the reinstatement fee that you submitted.

## 4.3 Appeals

You may appeal an NACFF decision to:

- Deny your initial CF2 Certification;
- Revoke or suspend your CF2 Certification;
- Deny your Recertification Application; or
- Deny your application for reinstatement of your CF2 Certification.

If you wish to appeal one of these decisions, notify us in writing and we will provide you with our policy and procedures for handling appeals. Any interested party may request a copy of our appeals policies and procedures at any time.

We will acknowledge to you our receipt of your appeal and will send your appeal to the Chairperson of the Certification Committee for his or her consideration. The Chairperson will, within 30 days of receiving your

appeal, determine whether your appeal has merit. If so, the Chairperson will form a Certification Appeals Committee consisting of three non-NACFF Board of Directors members who:

- Currently hold CF2 Certification and who share the same primary discipline as you;
- Do not work for the same company or firm as you;
- Are not related within the fourth degree of consanguinity or affinity you; and
- Do not personally know you.

Our Staff members, consultants or any other individual who was involved in the initial decision that you are appealing will not be involved in your appeal process, other than to track the progress of your appeal.

Our Staff will keep you informed about the status of your appeal during the process, will not deny to you any other NACFF services and will not treat you in a discriminatory manner. Our Staff will maintain a tracking log of actions taken to resolve your appeal. The Chairpersons of the Certification Committee and the Certification Appeals Committee will keep our Staff informed of progress in handling your appeal.

The Certification Committee will, within 60 days after receiving your appeal, make a final recommendation to our Board of Directors. The Board of Directors will decide whether to accept the recommendation and will inform you about the decision on your appeal. All Board of Directors decisions on appeals are final.

When your appeal process is complete, our Staff and the Chairpersons will discuss what improvements, if any, could be made to the process and recommend changes, if needed, to policies and procedures. The Certification Committee will maintain a record of appeals, including outcomes recommended to the Board of Directors, to facilitate the similar evaluation of future appeals.

## 4.4 Complaints

### 4.4.1 Complaints Against CF2 Certified Professionals

If an individual or entity believes that a CF2 Certified professional has acted in an unethical or unprofessional manner or violated the CF2 Code of Conduct, that individual or entity may file a complaint against that CF2 Certified professional by filling out a complaint form on our Website (<https://nationalcffassociation.org/complaint-procedure>) and providing that completed form and supporting documentation to NACFF, 1619 Providence Rd. S, Ste 220-203, Marvin, NC 28173 or by email to [report@nationalCFFassociation.org](mailto:report@nationalCFFassociation.org).

If a complaint is filed against you, we will direct that complaint to the Chairperson of the Certification Committee for his or her consideration. The Chairperson will, within 15 days of receiving the complaint, determine whether the complaint received has merit. If so, the Chairperson will form a Complaint Review Committee consisting of three non-Certification Committee members who:

- Currently hold CF2 Certification and at least one of whom shares the same primary discipline as you;
- Do not work for the same company or firm as you;
- Are not related within the fourth degree of consanguinity or affinity you; and
- Do not personally know you.

Our Staff will notify you that a complaint has been filed against you, provide to you details about that complaint and may ask you for comments or documentation regarding that complaint. You will have 30 days to respond in writing.

Our Staff will maintain a tracking log of actions taken to resolve the complaint. The Chairpersons of the Certification Committee and the Complaint Review Committee will keep our Staff informed of progress in handling the complaint.

The Complaint Review Committee will review the complaint and information that you provide and, within 60 days after receiving the complaint, make a final recommendation about the complaint to the Certification Committee. This recommendation may be to:

- Drop the matter with no disciplinary action against you;
- Issue to you a warning that your actions border on non-compliance with the CF2 Code of Conduct;
- Suspend your CF2 Certification for one to three years, specifying what actions you will need to take to release this suspension; or
- Permanently revoke your CF2 Certification.

The Certification Committee will then decide whether to accept the recommendation. Our Staff will inform you and individual or entity filing the complaint about the Board's decision regarding the complaint. All Certification Committee decisions on complaints are final.

When the complaint process is complete, our Staff and the Chairpersons will discuss what improvements, if any, could be made to the process and recommend changes, if needed, to policies and procedures.

#### 4.4.2 Complaints Against NACFF Certification Activities

We also accept complaints or expressions of dissatisfaction from individuals and entities regarding our CF2 Certification activities, policies and procedures.

When we receive this kind of complaint, we will acknowledge it and provide a timeline for our proposed response. Due to the wide variety of possible complaints or expressions of dissatisfaction, our CEO, the Board of Directors, the Certification Committee or our Staff or consultants may review and respond to the complaint.

#### 4.5 Suspension and Revocation

We may suspend or revoke your CF2 Certification when:

- We become aware of your violation of the CF2 Code of Conduct and determine your violation warrants suspension or revocation of your CF2 Certification; or
- You fail to comply with all of the recertification requirements and fail to remedy that non-compliance within the period that we set out in our notice to you; or
- The Certification Committee decides after reviewing the recommendation of the Complaint Review Committee regarding a complaint against you, as detailed above.

#### 4.5.1 Violations of CF2 Code of Conduct

Our Certification Committee will review information about your violation of the CF2 Code of Conduct. Using their judgment, as CF2 Certified professionals, the Certification Committee will determine if you have failed to uphold the CF2 Code of Conduct in your engagements with Clients or others, and, if yes, the severity of your failure.

Where the Certification Committee determines your failure is:

- Relatively minor, we will notify you with a written warning;
- More significant but did not result in financial harm to one or more of your Clients, we will notify you that your CF2 Certification is suspended for one to three years (“Suspension Period”) and require you to sign an agreement attesting to restrictions on you during the Suspension Period. During the Suspension Period, you may not use the CF2 Certification Marks and may hold yourself out as holding CF2 Certification. If you are unable to prove to us that you have resolved the issues that resulted in your suspension before the end of the Suspension Period, we will revoke your CF2 Certification.
- Substantial, causing one or more Clients financial harm, we will notify you that your CF2 Certification is revoked.

The Certification Committee will keep a record of all suspension and revocation cases and will endeavor to apply similar sanctions for similar violations.

#### 4.5.2 Failure to Comply with Recertification Requirements

If you fail to comply with all of the recertification requirements and fail to remedy that non-compliance within the period that we set out in our notice to you:

- We will not issue to you a new CF2 Certificate and your CF2 Certification will lapse as of the last day of the term of your previous CF2 Certification.
- We will notify you that you that:
  - Your CF2 Certification has lapsed
  - You may no longer hold yourself out as holding CF2 Certification;
  - You must stop all use of CF2 Certification Marks, including as an extension after your name; and
  - You must return to us your CF2 Certificate.

#### 4.5.3 Effect of Suspension or Revocation

If your CF2 Certification is suspended or revoked, we will notify you and remove your name and contact information from our public registry of CF2 Certified professionals. Effective immediately on receipt of our notice, you must:

- Return your CF2 Certificate to us;

- Stop all current and future use the CF2 Certification Marks in any way, including as an extension after your name;
- Not represent yourself publicly as a current or former holder of the CF2 Certification; and
- Not represent yourself as currently or formerly affiliated with, or endorsed or certified by, NACFF.