



# REGISTERED FIDUCIARY (RF™)

## CERTIFICATION

### Overview & Description





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## About RF™ Certification

The Registered Fiduciary (RF™) certification identifies financial professionals and organizations as competent fiduciaries that have achieved pertinent educational qualifications and licenses, learned required skills, and have passed a rigorous background check.

An active RF™ certification indicates that the holder is trained to comply with the regulatory requirements of acting as a fiduciary under current and proposed laws. The RF™ certification is continuously being updated to reflect the most recent regulatory, marketplace and technology changes.

This fiduciary standard distinguishes RF™ designated professionals for their willingness to take responsibility for the advice and investment management he/she provides.

All valid RF™ designees are listed in the Fiduciary Registry.





## Why Financial Professionals Need RF™ Certification

The RF™ certification is distinguished from other certifications from both an Internal and External perspective.

### Internal - Compliance

The benefits of the RF™ certification to the financial professional are in dealing with regulations, compliance, liability insurance, etc.

RF™ training offers the guidance necessary to comply with today's dizzying array of regulatory changes. The content is updated regularly to reflect the most recent changes.

The RF™ training is particularly helpful in responding to the fiduciary provisions of ERISA. These provisions are expected to cause advisers to change from a standard of client suitability to a fiduciary level, in which the adviser must act in the client's best interest, thus requiring RF™ training.

RF™ validation provides the independent third-party documentation to clients, regulators, internal compliance departments and others that the adviser is trained to perform at the RF™ level.

### Internal - Practice Management

Effective running of the advisory business and deployment of assets is the difference between average and excellence for an adviser's practice. A well trained, highly credentialed adviser, with a poorly run practice, is potentially more damaging to clients than a less trained, non-credentialed adviser, with a well-run practice.

### External - Marketing

The effectiveness of the RF™ certification is achieved in the marketplace to identify only those advisers that have been pre-screened and are qualified to act as fiduciaries.

Holders of RF™ use the powerful message of "seeking the best solution and not merely an adequate one" to give clients and prospects a clear choice.

In addition to the fact that public awareness of the role of fiduciaries is rapidly increasing, DALBAR actively promotes the value of the RF™. This increased awareness leads clients to demand evidence of fiduciary qualifications.

The RF™ certification will differentiate holders by virtue of the validation that includes the commitment to a fiduciary level of care.



## How is RF™ Different?

### The only certification that...

- Restricts its use to actual fiduciaries that are screened for entry into the program.
- Demonstrates procedural prudence in selection of designees with the accompanying documentation
- Protects a firm from fiduciary liability at three possible levels. For fiduciaries with:
  - Minimal exposure (Assets less than \$10 million)
  - Moderate exposure (Assets of \$10 to \$100 million)
  - High exposure (Assets over \$100 million)
- Curriculum reflecting the latest current regulations, such as:
  - Final advice regulations for level fee and computer models of ERISA § 408(g)
  - Final fee disclosure regulations of ERISA § 408(b)(2) and ERISA § 404(a)(5)
  - Proposed fiduciary re-definition
  - Proposed harmonization required under Dodd-Frank § 913
  - Fiduciary compensation practices that retain revenue at previous levels
  - Recognizes and is compatible with all other major certifications
- Is integrated with professional disciplines (wealth management, financial planning, foundations and endowments, retirement plans, etc.)
- Has a governance structure (Fiduciary Standards Board) with built-in checks and balances
- Is cost-effective

## Regulations impose fiduciary requirement

- The regulatory pressure to replace existing suitability requirements with a fiduciary level of care has finally come to fruition. The regulatory environment also is becoming more threatening as regulators that have been silent in the past, now begin to exercise their enforcement powers over advisers.
- The RF™ training and validation is the resource to prepare for and adapt to a more challenging environment.
- Federal agencies with oversight responsibilities for advice delivery have had increases in their enforcement budgets and openly discussed the plans to more aggressively regulate advisers. This indicates the intent to achieve a high degree of compliance with both new and existing rules. Notable agencies are:
  - Securities and Exchange Commission
  - Department of Labor
  - Internal Revenue Service
- New rules have also emphasized the role of civil litigation as a means of enforcement.



## RF™ Requirements

### Background Check

A background check is performed on each RF™ candidate to establish that there are no incidents in the past that would compromise the integrity of the certification or cause concern for a reasonable person that relies on that designee. The background check is repeated annually in order to continue using the RF™ certification.

### Academic & Licensing

RF™ candidates must have the academic credentials and licenses that are required to provide the services that are offered by the candidate.

The RF™ certification is added to existing credentials to indicate the candidate's fiduciary competence in addition to previously established capabilities.

### Training

RF™ candidates, unless exempted by existing knowledge, are required to undergo RF™ fiduciary training.

### Testing

A Testing of RF™ candidate is performed using timed online tests that include an attestation showing evidence of the applicant. A score of 70% or higher must be achieved to receive the certification.

### Complaints

The RF™ complaint line and Web page are available to the public to report complaints. Complaints received are reviewed and investigated as appropriate. The RF™ designee is informed of each complaint and invited to respond. An unusual number of or non-trivial complaints are acted on by DALBAR and could deny future use of the RF™ certification.

### Continuing Education

The changing requirements of the marketplace, regulations and technology require that financial professionals with the RF™ certification remain current with new developments. RF™ designees are required to take a minimum of 5 hours of continuing education each year that pertain to their specific lines of business or other relevant financial certifications.

### Annual Renewal

RF™ designees are required to renew their certifications annually. Renewals require designees to provide evidence of maintaining a continuing education program and the background check is repeated.



## RF™ Support

### Promotion of RF™ Certification

Both DALBAR and the Fiduciary Standards Board actively promote the RF™ Certification through their websites, public relations efforts, public service announcements (“PSA”) and brochures. The promotion is intended to:

- Familiarize the public with the RF™ certification
- Communicate the value of working with a Registered Fiduciary
- Present the superior qualities of the RF™ certification

As a result of this promotion and the quality of RF™ designees the RF™ brand will be recognized and respected by both institutional and retail clients as a mark of excellence.

### Public Access

DALBAR promotes RF™ licensees and designees on its Website, [www.FiduciaryRegistry.com](http://www.FiduciaryRegistry.com). All active licensees and designees are available through a search engine that contains access limits to avoid abuse by members of the public.

Public access is by lines of business and geographic area. Licensees and designees may elect to be excluded from the public access, if desired.

### Technology Tools

RF™ qualified tool providers offer a range of online tools that facilitates the management of the adviser’s practice. These include tools used for:

- Prospecting
- Client and plan management
- Investment policy statements
- Due diligence screens for investment options (Vendor search)
- Quarterly investment reporting
- Administrative functions
- Investment model management





## RF™ Legal Assistance

The Wagner Law Group, Marcia Wagner, managing partner, has been selected by RF™ to provide specialized legal services to RF™ candidates and designees. The firm's practice covers many different types of employee benefit plans, both qualified and non-qualified, and includes advice and client counseling in the following areas:

- ✓ Retirement Plans
- ✓ Non-Qualified Plans and Executive Compensation
- ✓ Plan Administration
- ✓ Welfare Benefit Plans
- ✓ Plan Testing
- ✓ Plan Compliance
- ✓ Income and Pension Excise Taxes
- ✓ Other Plan Issues
- ✓ ERISA Title I
- ✓ Employment Taxes
- ✓ Administrative Representation

## RF™ Advisory Board

RF™ activities are overseen by an advisory board consisting of leaders in a variety of roles. These roles include professionals immersed in the fiduciary subject from the perspectives of:

- Academics
- Attorneys
- Plan sponsors
- Regulatory compliance
- RF™ certificate-holders

## RF™ Referral Program

Certified Registered Fiduciaries may waive a renewal fee by referring one or more new applicants. Upon successful completion of the RF™ certification the referrer will receive a notification email upon their expiration date alerting them of the waived fee.





## Authority to Issue RF™ Certification

DALBAR, Inc. has created and acts as registrar for the Registered Fiduciary and RF™ certification. As registrar, DALBAR certifies and authorizes the use of these certifications. RF™ is a trademark of DALBAR.

Authority to act as registrar is granted by the Fiduciary Standards Board.

The Fiduciary Standards Board is a not-for-profit (501(c)(3)) organization established in September of 2000 to develop and advance standards of care for investment fiduciaries, which includes trustees, investment committee members, brokers, bankers, investment advisers, money managers, etc. The Fiduciary Standards Board is independent of any ties to the investment community and therefore positioned to be a crucible for advancing fiduciary standards throughout the industry and to the public.

### ***APPLY NOW!***

DALBAR offers three different ways to apply to become an RF™. Apply now through the RF™ website, email [RF@dalbar.com](mailto:RF@dalbar.com), or give us a call at 617-723-6400 today!

[WWW.FIDUCIARYREGISTRY.COM](http://WWW.FIDUCIARYREGISTRY.COM)

[RF@DALBAR.COM](mailto:RF@DALBAR.COM)

617-723-6400