



PFM Certification Program

Guideline



Guideline to PFM Certification Program

Copyright © 2018

International Financial Modeling Institute

www.professionalfinancialmodeler.org

PFM Certification Overview

Guideline to Become PFM Certified Person

This document provides an overview of everything that the Candidate and Certified Person must be aware of regarding the PFM Certification Program. This information is also available on the PFM Website (professionalfinancialmodeler.org).

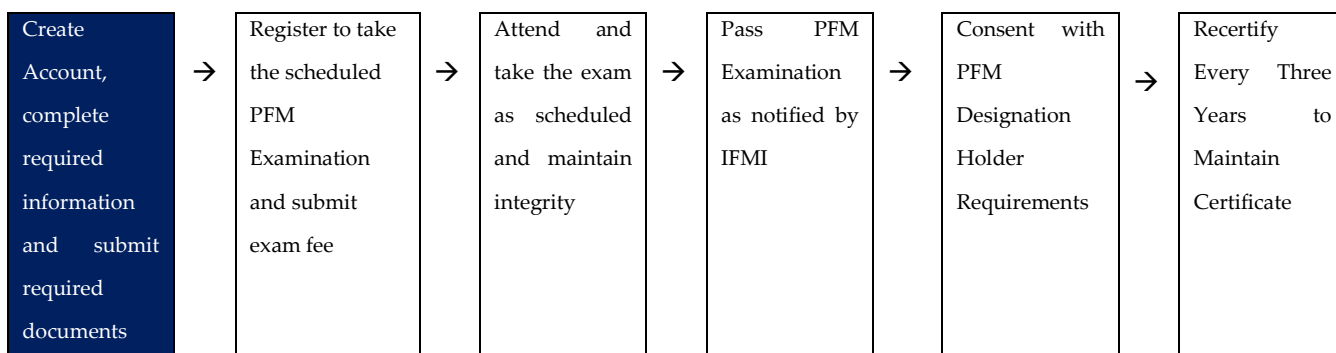
A. The Requirement for PFM Designation Holder

There are some basic requirements that a candidate has to fulfill to become PFM Certified Person:

1. Candidate must have Bachelor Degree or equivalent.
2. If the candidate does not have Bachelor Degree, the candidate must be at least Senior High School graduate with a minimum of two years of professional working experience. There is no limitation on industry or job role for the working experience. However, the experience must be full time professional occupation.
3. The candidate is required to have a sufficient comprehension of written English as examination information in PFM Website, documents and the examination materials are presented in the English language.
4. The candidate must be able to operate a computer or laptop with Windows operating system.
5. The candidate must have some proficiency in preparing corporate financial model by using Microsoft Excel software or other software as determined for a specific examination. There will be information on PFM Website if the software used for a particular examination is not Microsoft Excel.

B. PFM Exam Registration

To register in PFM Examination, a candidate must register in PFM website (www.professionalfinancialmodeler.org).



Before registering, the candidate must create a personal profile and complete the required personal information.

The candidate must also provide the following documents in softcopy format:

1. **Government-issued identity card**
2. **Close up professional photograph of the candidate**
3. **Curriculum Vitae (written in English) in DOC or PDF format**

Candidate must upload all the required documents in the PFM website.

Candidate needs to provide the required information and submit the documents to be enlisted in the PFM Examination.

Candidate needs to choose the examination date and location from the list available. The candidate must complete payment for PFM Examination by using a credit card. You need to provide a code provided by your Licensed Training Provider if you have any.

Candidate must register for taking the examination at least seven days before the examination date. When his/her registration is already effective, the candidate will receive an email notification.

Candidate will receive an examination ticket sent by email or downloadable in PFM Website within one week before the examination date containing the details of the examination. The exam ticket must be brought to the designated test center as proof of valid participation in the exam.

A candidate may not cancel an examination registration at any reason. Should a candidate fail to appear on the scheduled exam, IFMI has no obligation to refund the exam fee paid by the candidate.

C. PFM Exam Information

The PFM Exam, a full day exam, consists of two modules given in one single level exam.

1. **Multiple Choice Exam** (Duration: 150 minutes or 2.5 hours)

An examination designed to test corporate and project financial analysis knowledge of a candidate.

Multiple Choice Examination is a computer-based or paper-based examination (given where the computer-based test is not available) where candidates have to answer 100 multiple choice questions.

2. **Computer Practice Exam** (Duration: 300 minutes or 5 hours)

A vocational examination designed to test the ability of a candidate to prepare a standard corporate financial model.

A computer-based test in which a candidate has to prepare a full set corporate financial model consists of 1 case study on a company and has to be completed within 5 hours.

This schedule excludes break and additional time needed for examination briefing. The exact timing of the examination may vary from one test center to another to adhere to local custom and circumstances.

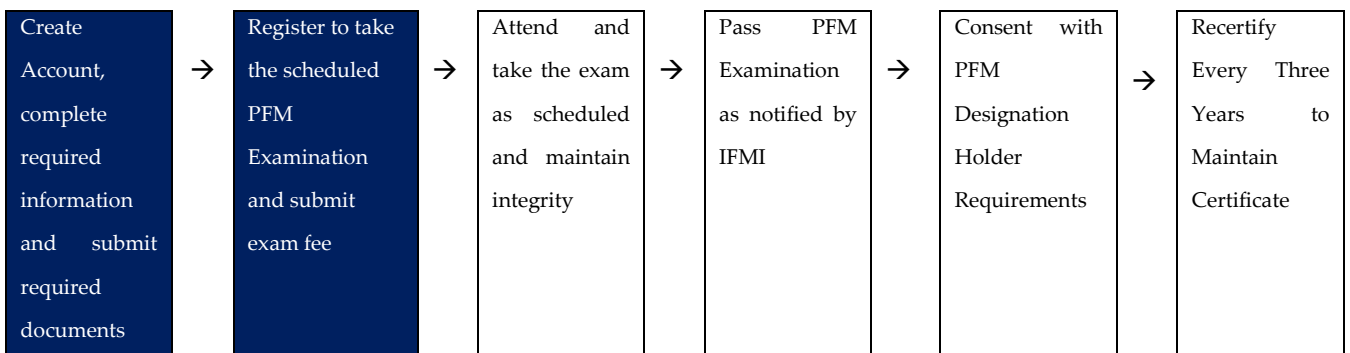
PFM Examination is delivered on different dates at different test centers. The examination problems can be different from one examination with another. Candidate needs to pay attention to the details of the examination (date, venue, etc.) when registering to an examination. Once registered, a candidate cannot change the chosen examination location.

PFM Examination is delivered in English. That means a candidate should have an of reading comprehension in English which is sufficient to understand the examination problems.

The candidate is not required to have the capability to write in English as the candidate may use different language to write, and his/her answer will be translated to English by publicly available translation software especially for answering a worksheet in Computer Practice Examination.

The candidate may sit in PFM Examination with or without attending the preparatory program. Due to the challenge faced when taking PFM Examination, the candidate is advised to attend a preparatory program provided by a Licensed Training Provider. Note that IFMI does not provide PFM preparation training program.

D. Steps and Resources for Taking PFM Examination



There are steps and resources to assist you in taking the PFM Examination.

1. Understand the structure of PFM Certification program by reading through PFM website
2. Learn about an important aspect of taking PFM Examination by studying this PFM Certification Overview.

3. You need to know the downloading PFM Body of Knowledge to understand the outline curriculum for Multiple Choice Examination and Manual for PFM Computer Practice Examination for the format of PFM Computer Practice Examination outline of content that will be tested in PFM Examination.
4. You can familiarize yourself with multiple choice exam by taking sample multiple-choice problem samples provided in PFM Website.
Understand about PFM Computer Practice Grading Policy by downloading the document in the library section of the PFM Website.
5. You are recommended to obtain some resources by purchasing or by attending preparation programs provided by a Licensed Training Provider.

E. PFM Examination Guidelines

There are two documents you must refer to when preparing for PFM Examination.

1. PFM Body of Knowledge

PFM Body of Knowledge (PFM BOK) is a guideline on the topics tested when taking PFM Multiple Choice Examination where the examination problems will ask questions to test your knowledge on specific subjects.

This document is developed to prepare a candidate on what a candidate is expected to understand in order to take PFM Multiple Choice Examination. PFM BOK is organized into Sections, Chapters and specific instruction outlines called Detailed Outline Subtopic (DOS). The DOS is used as a guideline for developing the exam problems, which appear in the PFM Examination.

Each examination problem must be related to a specific DOS in PFM BOK. This BOK is also the basis for determining the curriculum used for developing PFM Computer Practice Examination problem.

2. Manual for PFM Computer Practice Examination

This document is a guideline to prepare you on the format of the Computer Practice Examination including what you have to prepare during the Examination.

The document explains the set up of the examination problem, what kind of work a candidate has to perform and the format of standardized answer template. There is an explanation on the worksheets a candidate has to fill and what to do on each of the worksheets. You can download both documents for free in the library section of PFM Website.

The guidelines undergo changes from time to time. Examination Candidate needs to obtain the latest version to stay updated with the examination curriculum.

F. Resources and Study Process

To understand the whole topics tested in PFM Exam, a candidate can conduct self-study or attend courses by course provider who has a good understanding of PFM curriculum.

There are institutions which have been endorsed as providers of PFM preparation program called Licensed Training Provider which provide reading materials, classroom tutorials or online tutorials.

Candidate can take PFM Examination without taking any courses as long as the candidate has enough confidence on his/her level of knowledge and be willing to conduct self-study on the curriculum.

Note that participation in any course whether through physical training or online class by any training provider including a PFM Licensed Training Provider will not affect the examination grading process and decision.

G. Examination Weighting

There are no penalties for incorrect answers for both modules. The candidate only receives score when the answer is given correctly.

For Multiple Choice Examination modules, each problem receives equal weighting.

For Computer Practice Examination, there are three sections to be tested in the spreadsheet with weighting as follows:

- | | | |
|----|---------------------------------------|-----|
| 1. | Financial Projection Section | 50% |
| 2. | Valuation Section | 20% |
| 3. | Financial and Credit Analysis Section | 30% |

To obtain PFM Designation, the candidate must pass both examination modules.

H. Examination Policy

There are policies to be followed during PFM Exam to maintain the integrity of the exam:

1. Candidate must arrive at the test center 30 minutes before the examination begins.
2. The candidate is required to bring:
 - a. Exam ticket (sent by email to the registered candidate)
 - b. Valid government issued ID
 - c. Pencil 2B or HB, Eraser and Sharpener
 - d. Calculator
 - e. Laptop with spreadsheet software installed (Excel, open office or other similar software) with the capability of working and editing spreadsheet file with .XLSX Extension. This requirement applies for certain test center which does not provide a computer for examination or as a back up in case there is a problem with the computer provided during examination.

For point 2.c, those items are only required for paper-based multiple-choice examination. For Computer Based Test, the candidate may bring stationery used for manual calculation on scratch paper.

3. The candidate is required to bring a calculator for multiple choice exam and personal laptop for computer practice exam depending on whether the local test center provides a computer to be used during the examination. Surveillance methods including closed circuit monitoring are employed whenever possible to ensure the integrity of the exam.
4. Candidate may use any calculator for the examination as long as it is not part of or an application of a mobile gadget, has no capability for communication, data transmission or internet connection, taking pictures or video and does not have the capacity to store data or text other than some limited numerical data obtained from calculation conducted.
5. Candidates are not allowed to bring other goods not mentioned above except for personal medication.
6. Cheating is a serious offense that may cause the candidate to be disqualified from PFM Examination. Copying other people's work in Spreadsheet or use of unauthorized worksheet is strictly prohibited.
7. For computer practice examination, the spreadsheet file contains hidden codes attributed to each candidate. The codes are computer generated. If the code in a candidate exam file does not match with the candidate database, the examination is considered to have been compromised, and the candidate will be disqualified from the examination.
8. If a computer practice examination spreadsheet file containing the hidden code attributed to a candidate is found outside examination premises, an investigation will be conducted which may cause the related candidate to receive disciplinary sanction including suspension.
9. The exams are conducted as a closed book exam.
10. Mobile phones and other electronic devices must be switched off at all time during exam except for laptop used for the examination.
11. Candidate will be briefed on Examination Rule at the beginning of each Examination session.
12. Exam invigilator (director) and Proctor have full authority during the exam.
13. Candidate must obey all the rules outlined in Examination Rules.

I. Examination Postponement

A candidate may submit a one-time postponement request at the latest three days before examination schedule to postpone from taking PFM Examination. After postponing, the candidate must re-register to the next examination conducted at the same country before the deadline within a year.

When re-register, the candidate does not need to pay again for examination fee. However, should there is an increase in examination fee, the candidate is required to pay the incremental difference. Failure to register within a year after the candidate postponement means candidate registration is deemed forfeited and the candidate must pay the full examination fee when re-registering for PFM Examination.

To postpone, a candidate must submit in PFM Website. Postponement fee applied.

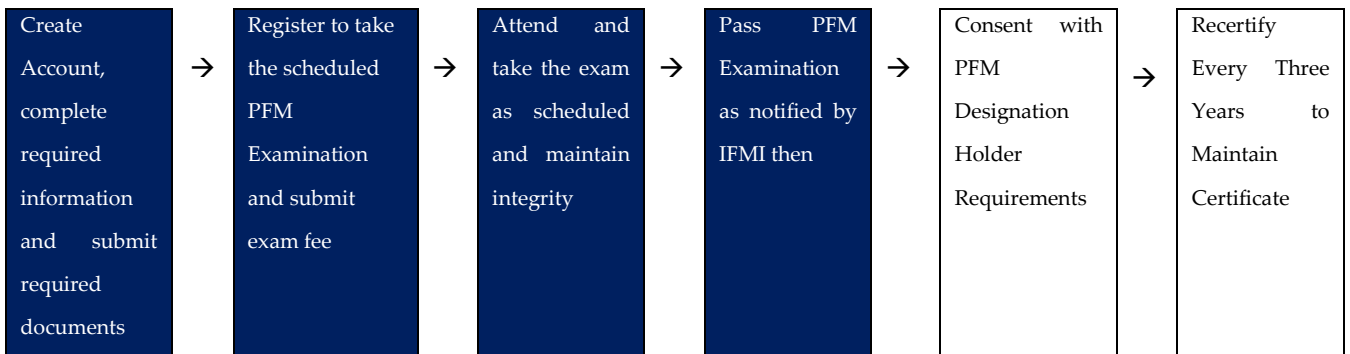
IFMI is not responsible for any change in curriculum, change in examination rule and schedule uncertainty for the next examination.

J. Cancellation of an Examination Schedule by IFMI

IFMI may cancel an examination schedule for a specific city or country due to reasons including security concerns, force majeure or any other reasons. The registered candidate will be offered an alternative examination schedule in the same or a different city or country without any additional charges. If the candidate decides not to take the alternative date or location, the candidate will receive a refund of the examination fee. The refund is deducted by transfer fee and prevailing tax.

K. Examination Result and Passing Rate

Exam Result Notification will be sent by email to each Candidate within 2 or 3 months after Examination. A candidate may also download the examination result in PFM Website.



The candidate is provided with quartile result achieved for each of the two modules. The breakdown of the quartile is as follows :

1. Quartile I : Scoring 80% - 100%
2. Quartile II : Scoring 60% - 79%
3. Quartile III : Scoring 30% - 59%
4. Quartile IV : Scoring 0% - 29%

Candidate needs to obtain a minimum score of 60 in both modules (Multiple Choice and Computer Practice Examination) in order to obtain the PFM Designation.

IFMI is not responsible for email delivery failure due to error caused by incorrect email address submitted by the candidate, email re-forwarding, spam block, malware or other problems caused by the candidate email system.

L. Retaking Examination

A candidate who fails on PFM exam may retake the exam. The candidate only needs to retake the module which he/she has failed by registering in PFM Website. For instance, if a candidate has passed Computer Practice Examination but failed on Multiple Choice Examination, he should only register for retaking Multiple Choice Examination. But if he has failed on both modules, he should retake both modules. Candidate must pay a retaking fee is based on a fee per module.

There is no limit on how many times a candidate may retake. There is no requirement to attend any training in order to retake.

There is also no time limit on when to retake. Your examination record is kept indefinitely, and you can decide to retake anytime. However, a candidate can no longer retake if there is a major change in the PFM Examination scheme in the future. In that case, the candidate must attend the whole examination from the beginning.

A candidate may also retake in other available examination locations.

M. Appeal for PFM Examination Result

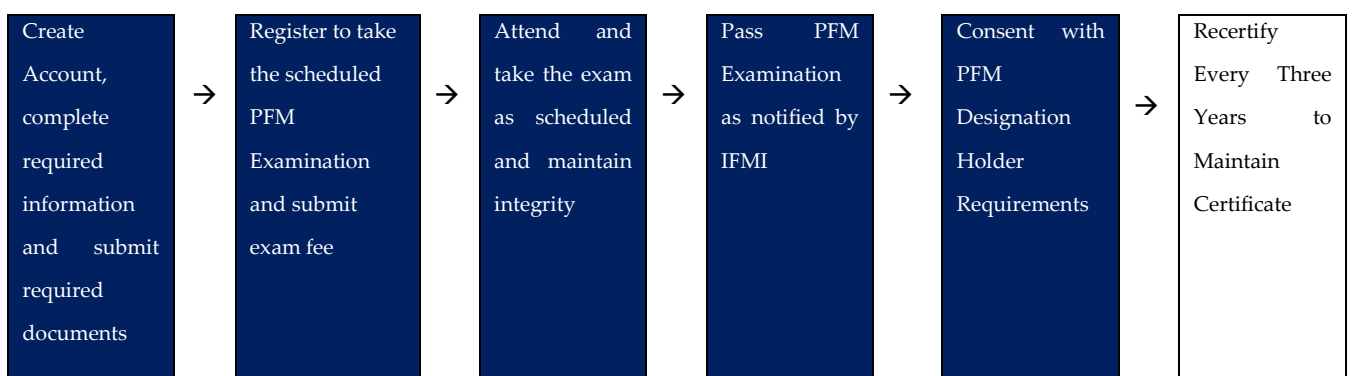
If a candidate feels that the scoring he/she receives does not reflect his real result, the candidate can choose to submit an appeal in PFM Website. By appealing, the candidate will have his examination results regraded. The result from the appeal is final. Appeal request only can be submitted once for every examination taken. **The submission of Appeal request is limited at the latest 30 days after the exam result announced.** There is a fee payable for appealing.

N. Submission of Complaint

If a candidate has a reservation in regards with examination and grading process, the candidate can submit a complaint by providing valid proof to support the complaint. The complaint will be processed and responded within the time limit.

O. Obtaining PFM Designation

After a candidate passes both examination modules, IFMI will check the information provided by the candidate in his profile and curriculum vitae to ensure that the candidate has fulfilled all requirements. IFMI requires the candidate to consent with requires the candidate to consent with the requirements of PFM Designation holder requirements.



IFMI may require the candidate to provide additional information before deciding to confer PFM Designation to the candidate. The process may take 2-3 months.

If the candidate has not fulfilled all requirements to become PFM Designation holder, his status is pending until he has satisfied all requirements to become PFM holder. While pending, the candidate cannot use PFM Designation but may write that the candidate has passed PFM Examination and currently waiting for the fulfillment of the requirement.

IFMI will notify candidate when the candidate is already eligible to use PFM Designation. Once a candidate is awarded the right to hold PFM Designation, IFMI will issue PFM Certificate and deliver to the certified person.

IFMI may postpone the announcement of examination result to a candidate based on the following circumstances:

1. Report from invigilator or proctor that the candidate has violated examination rules.
2. Suspicion from IFMI personnel or grader that the examination result has been compromised, such as lost exam codes or the use of a bogus answer file.
3. Report from a third party that the candidate may have done questionable conduct that may compromise the integrity of the candidate or PFM Certification Program.
4. The candidate has not settled any payment liability with IFMI.

IFMI may conduct an investigation and ensure that the potential issue has been settled before releasing the examination result.

P. Issuance of Certificates

There are two certificates issued concerning in PFM Program:

1. The PFM Certificate

PFM Certificate is issued for a candidate who has entirely passed all PFM Examination modules and fulfills all PFM Certification requirements. This certificate confers the right to use PFM Designation. PFM Certificate has a validity of 3 years which has to be renewed by taking the Recertification program.



Sample of PFM Certificate

2. Merit Certificate



Sample of Merit Certificate

As part of the continuing effort to increase the skill of PFM candidate in creating a financial model within the allocated time limit, a Merit Certificate is awarded to every candidate who has completed all the worksheets during PFM Computer Practice Examination with the basic requirement that the candidate has passed PFM Computer Practice Examination. The candidate does not need to obtain PFM Designation holder to get Merit Certificate.

Q. Delivery of PFM Certificates

PFM Certificate is available as hardcopy and softcopy version for new Designation holder. Merit Certificate is also available as hardcopy and softcopy version.

PFM Designation Certificate, Merit Certificate and other certificates in physical form will be delivered in not later than two months after examination result are announced by using standard postal service to candidates residing in certain countries.

Courier service fee for delivery by means other than standard postal service or delivery to countries other than the country where the examination is conducted will be charged to the candidate on a case by case basis.

Renewal of PFM Certificate after conducting recertification program is only available as softcopy. If a certified person wishes to obtain a printed version of the certificate, some printing and shipping fee applied.

R. Lost or Reprint of Certificate or Document

IFMI is responsible for any undelivered physical documents due to failure on IFMI behalf by reproducing and resending the documents at IFMI expense.

However, IFMI is not responsible for any lost or undelivered document due to these reasons:

1. Failure by Candidate to submit correct and proper address.
2. Failure of delivery due to Candidate moving to other address, unrecognized address, lost after the document has been delivered to intended address due to mishandling by document receiver, rejection by the recipient of the designated address, theft, and other reasons.
3. Documents lost, damaged or destroyed after being delivered to Candidate address.

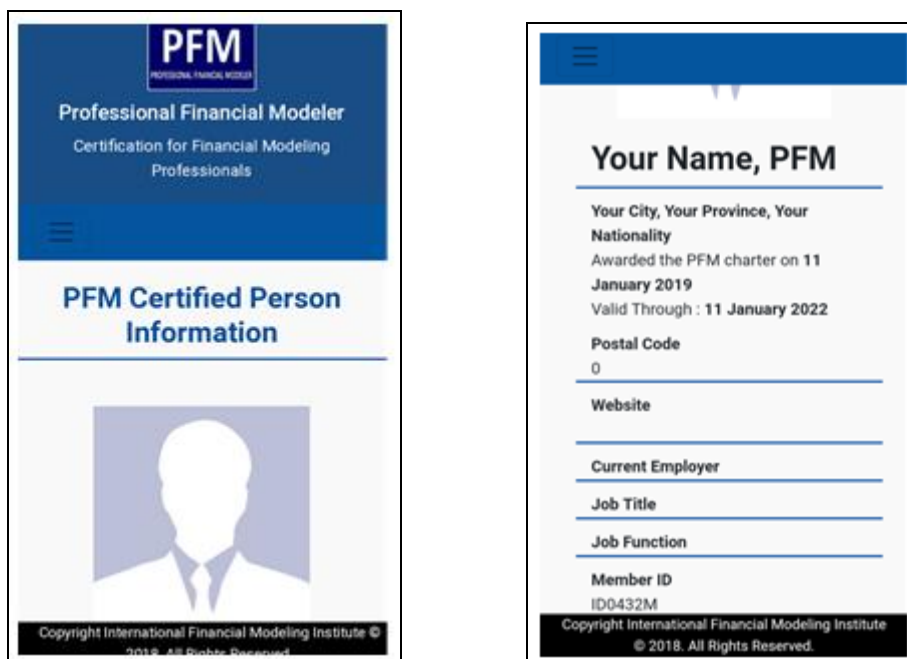
4. Conditions occurring due to riot, commotion, war, mail blockage, government seizure, natural disaster, cease of postal service and other conditions which cause the inability of the documents to be delivered to Candidate address.
5. The change of candidate circumstances such as change of address, change of name, use of aliases, etc.

Should any of the situations above happen, IFMI has no obligation to reprint the document. However, certified person may request for reprint of physical documents where IFMI will charge a printing fee and reasonable courier cost for reprinted certificate or document. The fee must be paid upfront upon submission of reprint request. IFMI reserves the right to alter the fee from time to time.

Reprint and delivery of requested documents will take time. While IFMI will endeavor for a speedy response, IFMI reserves the right to deliver the document within the time frame determined by IFMI.

S. Inclusion in Person Search Platform

To ensure that a Designation Holder receives recognition for his/her credential, the basic profile of every active PFM Designation Holder is searchable online on the member search section of PFM website. The search can be done by anyone including client and employer without the need to create a login profile in PFM website.



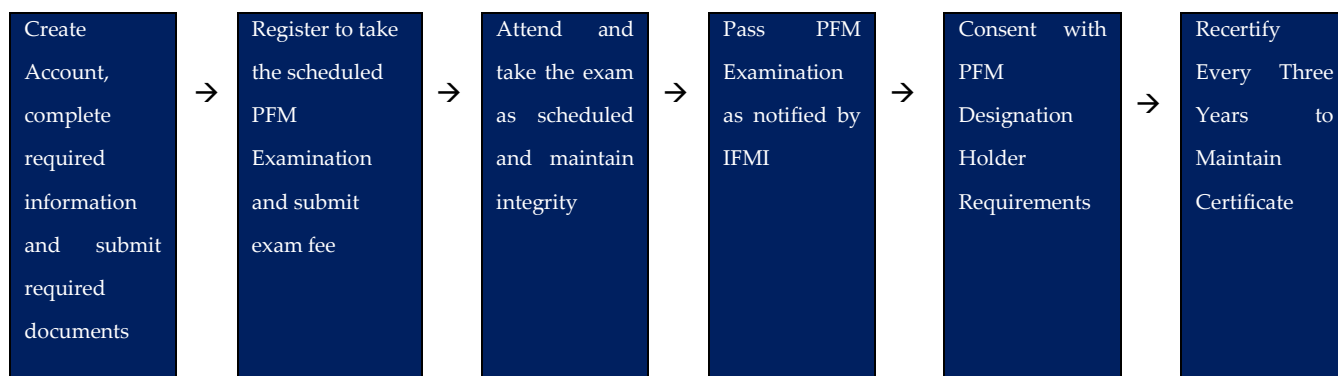
FM Person Search Platform

Only active Designation Holder can be searched in the platform. If the profile of a person cannot be found, that could mean several things:

1. The person has not obtained PFM Designation or has not fulfilled the requirements to become PFM Designation holder.
2. Designation status of a person is suspended due to the sanction imposed by IFMI against violation or infringement done by the person.
3. The certification of the person has been expired and passed a certain time limit, and the person has not conducted or has not completed the recertification process.
4. The person's certification has been revoked or withdrawn.

T. Recertification Process

To ensure that the certification of a certified person to remain active, the person must conduct periodic Recertification Program every three years.



The recertification program consists of the following activities:

1. General Recertification Process

This process is mandatory for all Certified Person to ensure that the Certified Person's competency level is in line with the standard set forth IFMI. IFMI will review the certified person competency level based on the information provided by certified person. IFMI will notify the certified person whether the recertification requirement is sufficient or the certified person is required to proceed with the Optional recertification process.

2. Optional Recertification Process

If the certified person cannot meet the requirements in General Recertification process, the person needs to conduct certain activities to prove that the person is eligible to continue holding PFM Designation. IFMI requires the certified person to complete assigned activities and submit relevant documents to support the competency claim.

Certified person may choose to complete any of three alternatives below:

- **Option 1** is to attend training program(s) related to financial analysis or financial modeling
- **Option 2** is to submit 20 multiple-choice problems
- **Option 3** is to retake and pass any PFM Examination modules.

The certified person is also required to submit the recertification administration fee.

Currently, after the expiration date, the Certified Person is given an additional one year exemption period to complete the recertification process. During the period, the certification remains active and the profile of the person still can be searched in person search page.

If the Certified Person is unable to complete the recertification process at the end of the one year exemption period, the certification of the person will be suspended and the person's profile is not searchable in person search page. To activate suspended certification, the person has to proceed with reactivation process.

After a Designation Holder has completed re-certification program, PFM Certificate will be re-issued in the form of softcopy and downloadable in PFM Website.

The transition for Certified Person Obtaining PFM before 2016

As recertification program is already in effect, Certified Person who has obtained PFM in 2015 or earlier is provided with an extension of the certificate expiration limit with the main purpose to complete the recertification process before 31 December 2019. If the designated Certified Person is not able to complete the recertification process at the end of the one year exemption period, the certificate will be suspended.

U. Sanctions, Reactivation and Withdrawal

All PFM Designation holder is required to comply with IFMI rules and regulation. Failure to comply with IFMI rules and regulations may cause certified person to receive sanction from IFMI. Certificate suspension will also be applied if a person cannot meet the recertification requirements.

The person may reactivate the suspended certificate by following certain procedures. IFMI may request for additional information or document and/or request the designated certified person to do certain activities to support the review of the reactivation request.

A person may also withdraw from PFM Certification. The withdrawal request is valid after the Certified Person settles outstanding obligation to IFMI and IFMI issues withdrawal confirmation. All obligation to IFMI must be settled before withdrawal is effective.

The detail information on the procedure of sanction, reactivation and withdrawal are available in PFM Website.