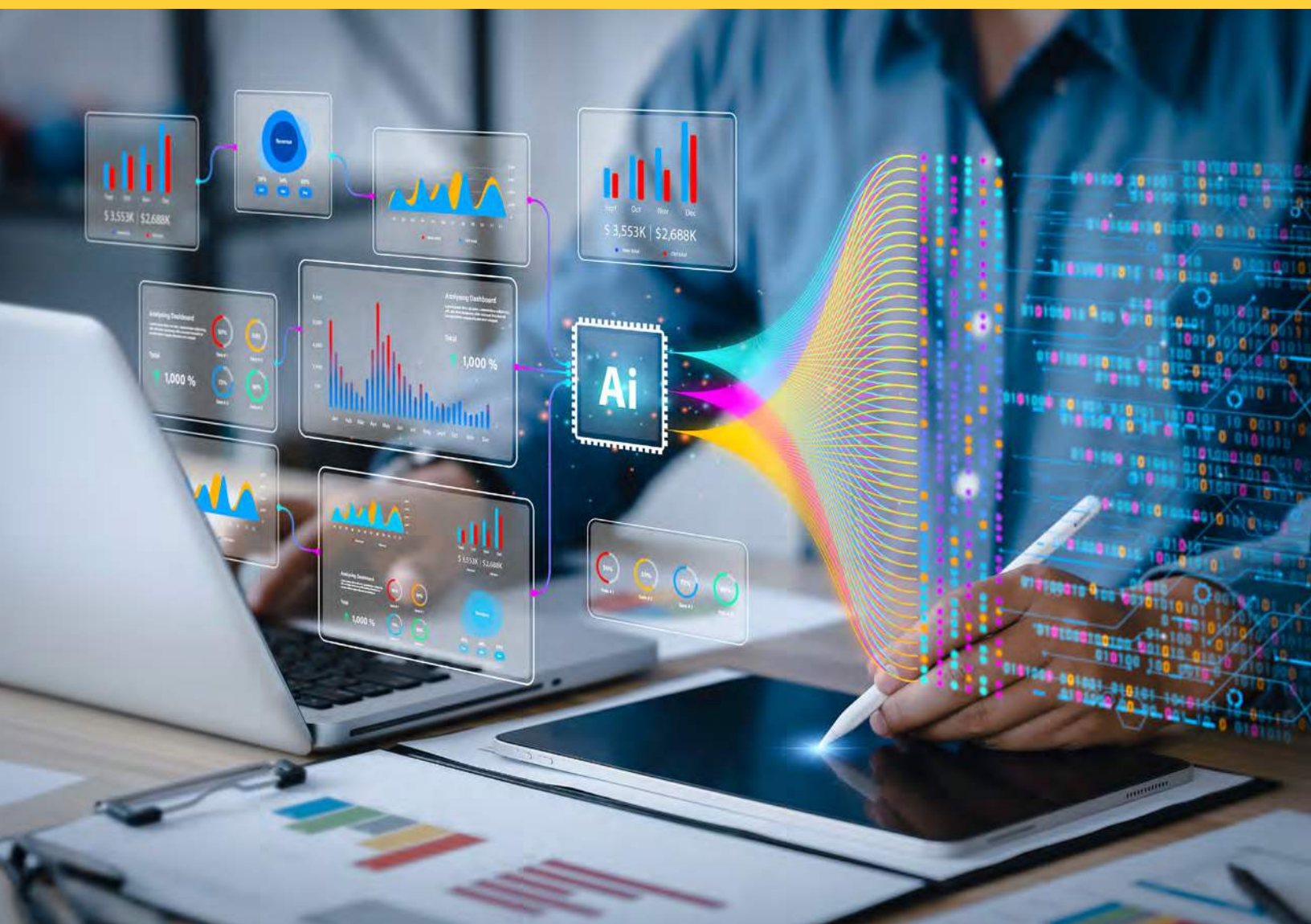


GENERATIVE AI ETHICS GUIDE

A CHECKLIST FOR UPHOLDING THE
CODE AND STANDARDS



GENERATIVE AI HAS THE POTENTIAL TO TRANSFORM THE WAY CFP® PROFESSIONALS SERVE THEIR CLIENTS.

This guide is designed to help CFP® professionals address ethical issues that may arise under CFP Board's *Code of Ethics and Standards of Conduct* ("Code and Standards") when using Generative AI in their professional services.

Generative AI is a type of AI that creates textual, audio or visual content in response to a prompt or input based on the data on which it was trained. Generative AI is one type of technology addressed in CFP Board's *Guide to CFP Board's Technology Standard (the "Technology Guide")*, which includes a sample technology evaluation checklist and extensive questionnaires to use when evaluating technologies.

This guide focuses on "off the shelf" Generative AI platforms that are available free or for purchase, and does not focus on custom-built platforms. These "off the shelf" platforms vary by their ability to offer privacy protection mechanisms and how much the user may configure the data that is used to train the program. Some platforms are for general use, while others are tailored specifically for financial professionals and may produce more useful work products.

CFP Board recognizes the importance of the broader ethical implications of AI for society at large. This checklist, however, focuses on the specific ethical obligations articulated in the Code and Standards.

Ways a CFP® Professional Might Use Generative AI

Used appropriately, Generative AI can offer significant benefits, enhancing efficiency and allowing CFP® professionals to dedicate more time on aspects of their business that Generative AI cannot replace, such as improving relationships and providing personalized value to their Clients. Generative AI can be a good starting point for idea generation, synthesizing information and refining work product. Some ways a CFP® professional may use Generative AI platforms in their professional services include:



Gathering information about a Client, such as taking and summarizing Client meeting notes or aggregating and summarizing Client documents, so long as the information may be kept confidential;



Conducting initial research to assess strategies and investments that are in the Client's best interests;



Improving the clarity and comprehensibility of communications to the Client and other constituents;



Creating or refining public-facing content, such as educational information, articles, blogs or marketing materials; and



Generating ideas for building or improving a successful brand, such as idea generation for business names.

CFP Board's *Technology Guide* examines the Duty When Selecting, Using and Recommending Technology (the "Technology Standard") set forth in the *Code and Standards* (Standard A.14). The Technology Standard, which incorporates key components of the Duty of Care and the Duty of Competence, applies to a CFP® professional's use of Generative AI. Other relevant standards include:

***Confidentiality and Privacy:***

The obligation to keep confidential and take reasonable steps to secure non-public personal information about Clients.

***Integrity:***

The obligation to act with integrity, including the prohibition on making untrue or materially misleading statements.

***Comply with the Law and Comply with the Lawful Objectives of the CFP® Professional's Firm:***

The obligation to comply with the laws, rules and regulations governing professional services, as well as policies and procedures of the CFP® Professional's Firm.

***Duties When Communicating with a Client:***

The obligation to provide accurate information to the Client in accordance with the engagement and in response to reasonable Client requests.

A CFP® professional must comply with the *Code and Standards*, legal requirements, and their firm's policies and procedures. Determining whether the use of Generative AI is appropriate, and what safeguards to take, depends on the facts and circumstances, or "use case." Generative AI is a tool. It cannot replace a CFP® professional's care, skill, prudence and diligence.

As with any technology, CFP® professionals using Generative AI remain responsible for their final work product and must account for Generative AI's limitations and risks. In particular, CFP® professionals should be aware of the potential for Generative AI to produce inaccurate, or even fictitious, output, often referred to as hallucinations, such as presenting an outdated forecast for industry performance for a year as the industry's actual performance.



Generative AI aids CFP® professionals, but doesn't replace expertise.



CFP® professionals must account for AI limitations and risks, including inaccuracies or "hallucinations."



Helpful for idea generation, synthesizing info and refining work.



CFP® professionals are responsible for the final work product.

CFP® professionals should exercise caution when using Generative AI for work that requires a reasonable understanding of assumptions and outcomes, such as developing recommendations for Clients, if there are limitations in accessing the data and algorithms that Generative AI platforms use for the output.

CFP Board developed the checklists below to help CFP® professionals uphold the *Code and Standards* when using Generative AI.

Before any use of Generative AI, I have:

- ☐ Reviewed and complied with my firm's policies and procedures relevant to the use of Generative AI.
- ☐ In the absence of firm policies and procedures, developed and followed standards or guidelines for the reasonable use of Generative AI in my business, such as appropriate use cases and limitations.
- ☐ Performed appropriate *due diligence on the vendor* (or have a reasonable basis to believe my firm has performed appropriate due diligence).

I have critically evaluated any output from a Generative AI platform for:

- ☐ Accuracy (i.e., there is no inaccurate or misleading output).
- ☐ Completeness, such as ensuring that an automated Client meeting summary did not omit important information.
- ☐ Material Conflicts of Interest, such as an automated recommendation of a product that benefits the CFP® professional or the firm of the Client.
- ☐ Inappropriate Bias, such as output skewed toward a particular investor demographic that does not match the needs of the Client.

Before entering materials that contain, or reasonably may contain, Client information, such as transcripts or notes of Client meetings or Client documents, into a Generative AI platform, I have:

- ☐ Chosen (or the firm has chosen) a Generative AI program that has privacy protection mechanisms to protect confidential Client information, including encryption of data sent to and from the Generative AI platform.
- ☐ Ensured compliance with relevant laws and regulations concerning Client information, particularly privacy regulations.
- ☐ Considered and, where appropriate, adopted additional privacy protection mechanisms, such as:
 - If available, opting out of permitting the Generative AI platform to use my data inputs to train the Generative AI model;
 - Using pseudonyms, anonymization or other means to remove confidential information before uploading materials.

- ☐ Confirmed that the Generative AI platform stores output in a manner that complies with applicable recordkeeping regulations.
- ☐ Confirmed that the Generative AI vendor has committed to taking reasonable steps to make me or my firm aware of any data breaches.
- ☐ Provided Clients with information about my use of Generative AI, whether through an updated privacy policy or a separate disclosure.
- ☐ If recording Client meetings, gained the Client's advance consent.
- ☐ Confirmed the accuracy, completeness and reliability of the output, such as by testing the Generative AI platform using a sample data set.

Before publishing materials, including articles, social media posts, marketing material and branding, created with the assistance of Generative AI, I have:

- ☐ Reviewed and followed my firm's policies and procedures for using Generative AI for advertising and social media.
- ☐ Verified that the Generative AI's terms and conditions permit publication of the output.
- ☐ Reviewed any underlying sources cited in the Generative AI output to ensure they exist and the use of the source is accurate.
- ☐ Added citations to appropriately attribute the work product of others.
- ☐ Ensured that no portion of the output infringes upon another person's intellectual property (copyright protections).
- ☐ Gained a reasonable understanding of the limitations on claiming copyright protection on AI-generated materials.

Upon integrating Generative AI into my practice, I have developed a plan to:

- ☐ Review updates to the Generative AI platforms I use, such as changes to its data privacy provisions or the data it uses;
- ☐ Periodically reevaluate the uses and outputs of Generative AI for accuracy and appropriateness as my business needs evolve.

