

# Verifying CFA status for private market access

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Individual academic response without institutional representation

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I support designating the CFA charter held in good standing as a basis for accredited investor status. The final order should make that condition straightforward to establish at the time of a sale. The practical question is whether an issuer can distinguish a charterholder whose current status meets that condition from someone who previously earned the charter, without collecting unnecessary financial or personal information. My comments respond to section III of Release No. 33-11447 and focus on implementation and investor-protection concerns specific to this credential.

The CFA route deserves consideration on its own terms. CFA Institute requires completion of the CFA Program and qualifying work experience for charterholder membership. That combination provides a credible basis for recognizing investment knowledge. It would not establish that every charterholder has specialized experience in every private asset. The Commission should explain the scope of the competence it recognizes without treating a particular investment as suitable merely because its purchaser qualifies. [1][2]

## **Make current charterholder status independently verifiable**

If designation proceeds, the Commission could work with CFA Institute to publish a short explanation of the status an issuer should verify. It should distinguish charterholder status from other membership categories and from completion of individual exam levels. A candidate record or an old certificate should not be presented as evidence that the proposed good-standing condition is currently met.

The notice identifies CFA Institute's public member directory as a verification mechanism. A useful accompanying explanation would show what a positive result establishes, how the person is matched to that result, and how unresolved cases can be checked directly with the credentialing body. Those details would make the existing verification route more usable rather than create a separate accreditation service. [1]

For an issuer choosing this route, a proportionate record could identify the source checked, the date of the check, the person matched and the status confirmed. It need not reproduce an entire professional profile. Where a name produces multiple matches, the issuer should resolve identity through a limited additional check with the individual or CFA Institute. A failed search or unavailable service should be recorded as inconclusive for that source. The issuer could consider other evidence under the applicable standard; a technical problem should not become automatic approval or a finding of misconduct.

The timing matters because Rule 501 defines accredited-investor categories by reference to the time of sale, including persons the issuer reasonably believes fall within them. Guidance could explain when an earlier status check needs refreshing, particularly before a later purchase following a reported lapse or suspension. These suggestions concern practical evidence. They would preserve the reasonable-belief standard in Rule 501(a), the separate reasonable-steps requirement in Rule 506(c) and the available, non-exclusive means of satisfying it. A new directory check for every sale should not become a universal requirement. [3][4]

## **Explain what good standing does and does not establish**

The potential designation links eligibility to maintaining the charter in good standing. It should not invite issuers to infer a separate continuing-education requirement that is absent from the qualification described. CFA Institute encourages professional learning, including a recommended annual credit total; that encouragement should not be described as mandatory recertification. If the Commission later considers a learning condition, it should assess and consult on that change explicitly. [1][5]

A more immediate step would be to encourage concise educational material for charterholders entering private investments for the first time. It could address the effect of uncertain valuations, restrictions on exit, capital calls and conflicts over fees or allocation. The material should connect these features to decisions an investor must make before committing funds. For example, a hypothetical increase in a fund's reported value does not itself establish that the investor can sell the interest or receive a distribution when household cash is needed.

This would be educational support, rather than a second examination or an additional eligibility condition. It could be useful to both recent and experienced charterholders whose professional work has concentrated on other markets. The Commission should avoid assuming that selecting a particular curriculum pathway is either necessary or sufficient for every private investment. A credential-wide designation needs a rationale grounded in the qualification as a whole.

## **Measure verification savings separately from wider access**

The notice recognizes uncertainty about how many charterholders already qualify through other accredited-investor categories. This makes it useful to distinguish two possible effects: lower costs of establishing eligibility for existing accredited investors and access for investors who become eligible solely through the charter. Both may matter, but they answer different policy questions. [1]

A later review could examine whether credential checks are completed promptly, how often identity or status needs clarification, and which recurring problems create unnecessary costs. Evidence could come from a voluntary, proportionate exercise with issuers and intermediaries rather than a new universal reporting obligation. Any request for information should separate unresolved verification cases from applicants who do not satisfy the criterion.

The same review could assess, where reliable information is available, whether the route is used by newly eligible investors and what kinds of misunderstandings appear in complaints or investor education. A complaint count without a measure of participation would be difficult to interpret. Equally, the number of successful verifications would say little by itself about the quality of the investments purchased. The review should state those limitations rather than treat either metric as conclusive.

A well-implemented designation would recognize a substantial professional qualification while keeping its legal use clear. The order should identify the qualifying status precisely, make current verification workable and explain the limits of what the credential establishes. That would give issuers a usable route to evidence and investors a more accurate account of the access the designation would provide.

## **References**

[1] SEC Release 33 11447 File 4 933 dated 30 September 2026. Sections II.A.5, II.B, II.C and III.

[2] CFA Institute Charterholder Membership. Charterholder membership eligibility.

[3] 17 CFR 230 501 Definitions and terms used in Regulation D. Rule 501(a) and (a)(10).

[4] 17 CFR 230 506 Exemption for limited offers and sales. Rule 506(c)(2)(ii).

[5] CFA Institute Professional Learning Program. Recommended professional learning for CFA Institute members.