

Financial planning practice

Purpose

This unit enables candidates to demonstrate their expertise in the application of the financial planning process through combining and applying learning content from all the other units in the CII RQF level 4 Diploma in Regulated Financial Planning:

- Financial services, regulation and ethics;
- Investment principles and risk;
- Personal taxation;
- Pensions and retirement planning;
- Financial protection.

Summary of learning outcomes

1. Obtain appropriate client information and understand clients' needs, wants, values and risk profile essential to the financial planning process;
2. Synthesise the range of client information, subjective factors and indicators to provide the basis for financial planning assumptions and decisions;
3. Analyse a client's situation and the advantages and disadvantages of the appropriate options;
4. Formulate suitable financial plans for action and explain and justify recommendations;
5. Implement, review and maintain financial plans to achieve the clients' objectives and adapt to changes in circumstances.

Important notes

- **Method of assessment:** Two case studies with short answer questions. Three hours are allowed for this paper.
- For the exam sessions October 2016 through to July 2017, candidates will be examined on the basis of English law and practice in the tax year 2016/2017 unless otherwise stated.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
 1. Visit www.cii.co.uk/qualifications
 2. Select the appropriate qualification
 3. Select your unit on the right hand side of the page

1. Obtain appropriate client information and understand clients' needs, wants, values and risk profile essential to the financial planning process

- 1.1 Apply appropriate techniques for asking about the client's aims and objectives, their needs and wants, values and priorities;
- 1.2 Explain risk, and how the different types of risk apply to clients;
- 1.3 Establish the client's risk profile and explain what this means in terms the client will understand.

2. Synthesise the range of client information, subjective factors and indicators to provide the basis for financial planning assumptions and decisions

- 2.1 Recognise any potential errors and inconsistencies in client information, subjective factors or indicators;
- 2.2 Identify where additional information is required and ask appropriate questions.

3. Analyse a client's situation and the advantages and disadvantages of appropriate options

- 3.1 Analyse a client's situation using key financial planning data and approaches;
- 3.2 Identify gaps in a client's current financial provision and identify how the client's financial provision could be improved;
- 3.3 Explain the options available and their respective advantages and disadvantages.

4. Formulate suitable financial plans for action and explain and justify recommendations

- 4.1 Formulate a suitable financial plan and make recommendations;
- 4.2 Explain and justify your recommendations;
- 4.3 Explain any risks or limitations in the plan.

5. Implement, review and maintain financial plans to achieve the clients' objectives and adapt to changes in circumstances

- 5.1 Explain how the plan is to be implemented and serviced;
- 5.2 Conduct reviews at appropriate times using appropriate benchmarks and adapting to changes in circumstances.

Syllabus construction

Please note that the syllabus consists of learning outcomes and assessment criteria. For a comprehensive listing of content, please refer to the indicative content located at www.fca.org.uk/your-fca/documents/standards-for-retail-investment-advice--application-standards.

Reading list

The following list provides details of various publications which may assist you with your studies.

Note: The examination will test the syllabus alone.

The reading list is provided for guidance only and is not in itself the subject of the examination.

The publications will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to www.cii.co.uk/knowledge or email knowledge@cii.co.uk.

CII study texts

Financial planning practice. London: CII. Study text Ro6.

Financial services, regulation M ethics. London: CII. Study text Ro1.

Investment principles and risk. London: CII. Study text Ro2.

Personal taxation. London: CII. Study text Ro3.

Pensions and retirement planning. London: CII. Study text Ro4.

Financial protection. London: CII. Study text Ro5.

Mortgage advice. London: CII. Study text CF6.

Books

A modern approach to lifetime tax planning for private clients (with precedents). Christopher Whitehouse, Lesley King. Bristol: Jordans, 2014.

A practitioner's guide to the UK financial services rulebooks. 6th. ed. Ruth Fox, Ben Kingsley (eds.). London: Sweet and Maxwell, 2013.

Booth and Schwarz: residence, domicile and UK taxation. Jonathan Schwarz. 18th ed. Bloomsbury Professional, 2014.

Capital gains tax calculations. Sarah Dingley-Brown. Annual. Totnes, SDB Training.

Elderly clients: a precedent manual. Denzil Lush, Caroline Bielanska. 4th ed. Bristol: Jordan Publishing, 2013.

Financial calculations. Sarah Dingley-Brown. Annual. Totnes, SDB Training.

Pensions law handbook. 12th ed. Pensions Department of Nabarro Nathanson. Tottel, 2015.

Pension tax guide: a tax guide 2015-2016. 3rd ed. Robert Gaines. Chester: Claritax Books, 2015.

Ray & McLaughlin's practical inheritance tax planning. 12th ed. Toby Harris, Mark McLaughlin, Ralph Ray. Haywards Heath, West Sussex: Tottel, 2015.

The business of advice. 1st edition. David Shelton. London: Taxbriefs, 2009.

The Financial Times guide to investing. 3rd edition. Glen Arnold. FT Prentice Hall, 2014.

The investments suite. Sarah Dingley-Brown. Annual. Totnes, SDB Training.

The tax and trusts suite. Sarah Dingley-Brown. Annual. Totnes, SDB Training.

Winning client trust. Chris Davies. London: Ecademy Press, 2011.

Ebooks

The following ebooks are available through Discovery via www.cii.co.uk/discovery (CII/PFS members only):

Financial planning competency handbook. Certified Financial Planner Board of Standards. Hoboken, New Jersey: Wiley, 2013.

Foundations of financial risk: and overview of financial risk and risk-based regulation. Richard Apostolik, Christopher Donohue. New Jersey: Wiley, 2015.

Business ethics in the 21st Century. Norman E. Bowie. Dordrecht: Springer, 2013.

Implementing the wealth management index: tools to build your practice and measure client success. Ross Levin. New Jersey: Bloomberg Press, 2012.

International finance regulation: the quest for financial stability. Georges Ugeux. Wiley, 2014.

Investor behaviour: the psychology of financial planning and investing. H. Kent Baker. Hoboken, New Jersey: Wiley, 2014.

Recreating sustainable retirement: resilience, solvency and tail risk. P. Brett Hammond, et al. Oxford: Oxford University Press, 2014.

Factfiles

CII factfiles are concise, easy to digest but technically dense resources designed to enrich the knowledge of members. Covering general insurance, life and pensions and financial services sectors, the factfile collection includes key industry topics as well as less familiar or specialist areas with information drawn together in a way not readily available elsewhere. Available online via www.cii.co.uk/ciifactfiles (CII/PFS members only).

- Behavioural finance. Nick Edwards.
- Critical illness insurance. Andy Couchman.
- Equity release. Brad Baker.
- Long-term care insurance. Andy Couchman.
- Recent developments in investment product design. Nick Edwards.

Additional articles and technical bulletins are available under the Personal Finance section of the website at www.cii.co.uk/knowledge/personal-finance.

Journals and magazines

Financial adviser. London: FT Business. Weekly. Also available online at www.ftadviser.com.

Financial times. London: Financial Times. Daily. Also available online at www.ft.com.

Financial solutions. London: CII. Six issues a year. Also available at www.thepfs.org/knowledge (CII/PFS members only).

Money management. London: FT Business. Monthly. Also available via www.ftadviser.com.

Money marketing. London: Centaur Communications. Weekly. Also available online at www.moneymarketing.co.uk.

Further articles and technical bulletins are available at www.cii.co.uk/knowledge (CII/PFS members only).

Reference materials

Core tax annuals, 6v (Capital gains tax; Corporation Tax; Income tax; Inheritance tax; Trusts and estates; Value-added tax). Various authors. Haywards Heath, West Sussex: Bloomsbury Professional. Annual.

Dictionary of banking and finance. P H Collin. A&C Black, 2005.*

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2007.*

Lamont's glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009. Also available online via www.cii.co.uk/lamont (CII/PFS members only).

St James's Place tax guide. Walter Sinclair. Basingstoke, Hampshire: Palgrave Macmillan. Annual.*

The professional adviser's factfile. Taxbriefs. London: Taxbriefs. Looseleaf, updated.

Tolley's guide to pensions taxation terminology. Alec Ure. 4th edition. London: LexisNexis Tolley, 2014.

Tolley's tax guide. Arnold Homer, Rita Burrows. London: LexisNexis Butterworths. Annual.

Tolley's tax planning. London: LexisNexis. Annual.

Tolley's guide to pensions taxation terminology. Alec Ure. 4th edition. London: LexisNexis Tolley, 2014.

*Also available as an ebook through Discovery via www.cii.co.uk/discovery (CII/PFS members only).

Examination guides

Guides are produced for each sitting of written answer examinations. These include the exam questions, examiners' comments on candidates' performance and key points for inclusion in answers.

You are strongly advised to study guides from the last two sittings. Please visit www.cii.co.uk to buy online or contact CII Customer Service for further information on +44 (0)20 8989 8464.

Alternatively, if you have a current study text enrolment, the latest exam guides are available via www.revisionmate.com.

Older guides are available via www.cii.co.uk/pastexamguides (CII/PFS members only).

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at www.cii.co.uk/iilrevision (CII/PFS members only).