

# Financial planning process

## Learning Outcomes

At the end of this unit, candidates will be able to research and construct a financial plan that demonstrates:

1. Understanding of the relationship and responsibilities throughout the advice process and the need to establish the scope of the planning brief along with an agreed remuneration strategy;
2. Understanding and evaluation of the client's personal circumstances and financial status;
3. Understanding and evaluation of the client's financial objectives, including the importance of prioritising those financial objectives;
4. Understanding of what is meant by risk (including capacity for loss), the various risks faced by the client and the importance of the client risk profile in formulating a financial plan;
5. Understanding of the assumptions underlying the financial plan;
6. Evaluation of the different options available to the client with relevant evidence;
7. The ability to formulate an appropriate financial plan based upon analysis of client objectives, circumstances and options taking into consideration the importance of achieving positive and suitable outcomes for the client;
8. The ability to explain the meaning of any technical terms, the features, benefits and any possible drawbacks of the proposed solutions and the potential consequences of the proposed course of action;
9. Understanding of the importance of documenting any changes to the plan required by the client and how to document such changes;
10. Understanding of the review process and its significance in the overall financial planning process.

## Entry guidance

Candidates are recommended to have taken three units at advanced level before progressing to this unit. Advanced technical knowledge across taxation, trusts, pensions and investments is usually required. Depending upon the client scenario, some business planning knowledge might also be required.

## Important notes

- This syllabus will be examined from 1 September 2023 to 31 August 2024.
- Candidates will be examined on the basis of English law and practice in the tax year 2023/2024 unless otherwise stated.
- The general rule is that exams are based on the English legislative position three months before the date of the exams.
- 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/learning/qualifications](http://www.cii.co.uk/learning/qualifications)
  2. Select the appropriate qualification
  3. Select your unit on the right hand side of the page
  4. Select qualification update on the right hand side of the page

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## Reading list

The following list provides details of further reading 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 resources listed here will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

### **CII study texts**

There are no case study workbooks for AF5.

Financial planning practice. London: CII. Study text R06.

Regulations and ethics. London: CII. Study text R01.

Investment principles and risk. London: CII. Study text R02.

Personal taxation. London: CII. Study text R03.

Pensions and retirement planning. London: CII. Study text R04.

Financial protection. London: CII. Study text R05.

Trusts. London: CII. Study text J02.

Pension income options. London: CII. Study text J05.

Personal tax and trust planning. London: CII. Study text AF1.

Investment planning. London: CII. Study text AF4.

Pensions transfers. London: CII. Study text AF7.

Retirement income planning. London: CII. Study text AF8.

### **eBooks**

The following eBooks are available via [www.cii.co.uk/elibrary](http://www.cii.co.uk/elibrary) (CII/PFS members only):

Investment risk management. Greg Filbeck, H. Kent Baker. New York: Oxford University Press, 2015.

Recreating sustainable retirement: resilience, solvency and tail risk. P. Brett

Hammond, et al. Oxford: Oxford University Press, 2014.

### **Journals and magazines**

Financial adviser. London: FT Business. Weekly. Available online at [www.ftadviser.com](http://www.ftadviser.com).

Financial times. London: Financial Times. Daily. Available online at [www.ft.com](http://www.ft.com).

Money marketing. London: EMAP Publishing Limited. Weekly. Available online at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

Personal finance professional (previously Financial solutions). London: CII. Six issues a year.

Further articles and technical bulletins are available at [www.cii.co.uk/learning/learning-content-hub](http://www.cii.co.uk/learning/learning-content-hub) (CII/PFS members only).

### **Reference materials**

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

International dictionary of banking and finance. John Clark. Hoboken, New Jersey: Routledge, 2005.

## 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 exam guides from the last two sittings. Please visit [www.cii.co.uk/learning/qualifications](http://www.cii.co.uk/learning/qualifications) to access online or contact CII Customer Service for further information on +44 (0)20 8989 8464.

## Exam technique/study skills

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

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\* Also available as an eBook through eLibrary via [www.cii.co.uk/elibrary](http://www.cii.co.uk/elibrary) (CII/PFS members only).