

# 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 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 2020 through to July 2021, candidates will be examined on the basis of English law and practice in the tax year 2020/2021 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](http://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 Establish and explain the client/adviser relationship and the importance of positive customer outcomes.
- 1.2 Establish clients' aims and objectives, their needs and wants, values and priorities.
- 1.3 Explain the different types of financial risk, and how the different types of risk apply to clients.
- 1.4 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 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 relevant financial information.
- 3.2 Identify gaps in a client's current financial provision and identify how the client's financial provision could be improved.
- 3.3 Examine 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.
- 5.2 Conduct reviews at appropriate times using appropriate benchmarks and adapting to changes in circumstances.

## 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/PFS members can access most of the additional study materials below via the Knowledge Services webpage at <https://www.cii.co.uk/knowledge-services/>.

New resources are added frequently - for information about obtaining a copy of an article or book chapter, book loans, or help finding resources, please go to <https://www.cii.co.uk/knowledge-services/> or email [knowledge@cii.co.uk](mailto:knowledge@cii.co.uk).

### CII study texts

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

Financial services, regulation 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.

### Ebooks

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

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

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

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.

Mastering financial calculations: a step-by-step guide to the mathematics of financial markets instruments. 3rd ed. Bob Steiner. Harlow: FT Prentice Hall, 2012. \*

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

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

### **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).

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Available online at [www.thepfs.org/financial-solutions-archive](http://www.thepfs.org/financial-solutions-archive) (CII/PFS members only).

Money management. London: FT Business. Monthly. Available online [www.ftadviser.com/brand/money-management](http://www.ftadviser.com/brand/money-management).

Money marketing. London: Centaur Communications. Weekly. Available online at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

Further articles and technical bulletins are available at <https://www.cii.co.uk/knowledge-services/> (CII/PFS members only).

### **Reference materials**

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

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

### **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](http://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](http://www.revisionmate.com).

Older guides are available via [www.cii.co.uk/pastexamguides](http://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.