



Financial Planning
Institute of Southern Africa

THE PROFESSIONAL STANDARD



Financial Planning Curriculum Framework

Vision

Professional financial planning for all.

Our Mission

The FPI's mission is to advance and promote the pre-eminence and status of financial planning professionals, while at all times acting in the interests of the society (community, constituency) whom the profession serves, by:

1. Improving the quality and accessibility of professional financial planning for all in Southern Africa.
2. Acting as advocate for professional financial planning, building a recognition of the importance and need for such planning by the general public.
3. Providing a framework within which members can achieve qualifications and maintain competence to create greater value for their clients, practices and employers.
4. Ensuring that members maintain the highest ethical standards in the pursuance of their profession.
5. Providing a leadership role within financial services by providing balanced, credible input and commentary to government and the public.
6. Facilitating transformation within the profession.

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Introduction

Education and training programmes for financial services qualifications and professional certification increasingly rely on a competency-based approach, whereby a curriculum's learning outcomes and theoretical knowledge connect to appropriate practice outcomes or competencies for a given job function.

In any national education system, curriculum documents are written in broad terms that do not directly address the unique needs of individual institutions or specific groups of students. Consequently, educators need to translate curriculum frameworks into specific teaching programmes of sufficient detail to guide day-to-day courses and activities.

In developing a global education standard for financial planning, the FPI in conjunction with Financial Planning Standards Board (FPSB) developed learning outcomes and content for its Financial Planning Curriculum Framework that relate to the knowledge, skills and abilities needed to practice financial planning (as defined by FPI's Financial Planner Competency Profile). By linking the Financial Planning Curriculum Framework directly to its Financial Planner Competency Profile, the FPI encourages educators to be directed by the actual practice of financial planning when developing financial planning curricula, so that students develop their thinking and capabilities that will prepare them to practice as competent financial planning professionals.

FPI's Financial Planning Curriculum Framework provides an outline for structuring financial planning education modules and courses, and reinforces globally consistent learning outcomes and standards among these courses. The Curriculum Framework highlights the inter-relationships among module, programmes and qualification/practice and among teaching, learning and assessment, and supports programmes comparison and student mobility within a territory and internationally.

FPI's Financial Planning Curriculum Framework consists of:

- I. Financial Planning Body of Knowledge Topic Categories
- II. Financial Planning Curriculum Learning Level Descriptor
- III. Financial Planning Curriculum Components
- IV. Financial Planning Curriculum Learning Outcomes (by Curriculum Component)

I. Financial Planning Body of Knowledge

FPI's Financial Planning Body of Knowledge identifies what knowledge a financial planning professional must be able to draw on to deliver financial planning to clients or when interacting with other in a professional capacity.

FPI categorised the Financial Planning Knowledge into these areas:

Financial Management	<ul style="list-style-type: none"> • Analysis of Financial Information • Personal Financial Ratios • Cash Management and Budgeting • Personal Financial Statements Cash • Consumer Credit and Credit Management • Mortgages • Leases • Insolvency and Bankruptcy
Asset Management	<ul style="list-style-type: none"> • Investment Types • Investment Structures • Types of Investment Risk • Measurement of Investment Risk • Portfolio Management Techniques • Selling and Buying Techniques • Performance Measurement • Modern Portfolio Savings • Employer / Employee Programmes • Personal Retirement • Personal Savings Theory • Behavioral Finance • Economic Environment
Risk Management	<ul style="list-style-type: none"> • Business Insurance • Life Insurance • Disability Insurance/Income Replacement • Health Insurance • Critical Illness Insurance (includes Dread Disease and Trauma) • Property Insurance • Liability Insurance
Tax Planning	<ul style="list-style-type: none"> • Assessment Rules • Personal Taxation • Corporate Taxation • International Tax Issues
Retirement Planning	<ul style="list-style-type: none"> • Government Pension • Government Savings • Employer / Employee Programmes • Personal Retirement • Personal Savings
Estate Planning	<ul style="list-style-type: none"> • Wealth Transfer • Personal Taxation
Ethics and Standards and law	<ul style="list-style-type: none"> • Code of Ethics • Financial Planning Practice Standards • Regulatory Environment

II. Financial Planning Curriculum Learning Level Descriptor

A curriculum learning level descriptor describes the demand placed on a learner by a qualification's education programmes. All qualification frameworks demonstrate progression in learning by using level descriptors to describe the level of abilities, skills and knowledge a student must master to be prepared for competent practice. While qualifications with the same level descriptor are broadly similar, the qualifications' education programmes and curricula can differ in terms of content and duration.

FPI's Financial Planning Curriculum Learning Level Descriptor establishes the overall level at which a financial planning education programmes should be delivered. While the level at which a specific module or subject within the programmes is delivered could fall below or exceed the recommended level, in aggregate, the student should master appropriate abilities, skills and knowledge at the recommended level to prepare him or her to competently and ethically practice financial planning. While knowledge, comprehension and application form part of the educational requirements of each module or subject, the student is expected to master and integrate the financial planning education programmes content at the analysis, synthesis and evaluation levels.

FPI's Financial Planning Curriculum Learning Level Descriptor enables educators around the world to align the level of their financial planning education programmes to FPI's Financial Planning Curriculum Framework, thereby creating greater national, regional and global consistency in the delivery of financial planning education and training and in the preparedness of students to competently and ethically practice financial planning.

Educators should deliver financial planning modules, courses or programmes at a sufficient level of instruction that ensures the student can successfully:

Knowledge

- Demonstrate advanced knowledge and understanding (including critical understanding of theories and principles) of the practice of financial planning, as described by FPI's Financial Planner Competency Profile and Financial Planning Curriculum Framework;
- Apply advanced knowledge and understanding, devise recommendations, sustain opinions and solve problems that indicate a professional approach to the practice of financial planning, as described by FPI's Financial Planner Competency Profile and Financial Planning Curriculum Framework;
- Collect, analyse and synthesise appropriate data to develop strategies and make judgments and recommendations that take into consideration relevant social, scientific, legal or ethical issues;
- Communicate and present information, ideas, problems and solutions on financial planning matters to both specialist and non-specialist audiences; and
- Develop the learning skills necessary to continue further study with a high degree of autonomy.

Skills

- Apply advanced skills, demonstrating mastery and innovation, in solving complex and unpredictable problems in the field of financial planning.

Abilities

- Reflect the competence to demonstrate, in study and practice contexts, the Financial Planner Abilities described in FPI's Financial Planner Competency Profile;
- Reflect the competence to manage complex technical or professional activities or projects in the field of financial planning, with responsibility for decision-making; and
- Reflect the competence to take responsibility for continuing professional development in the field of financial planning.

III. Financial Planning Curriculum Components

FPI's Financial Planning Curriculum Framework consists of the following eight Curriculum Components:

- 1. Principles and Practices of Financial Planning**
- 2. Financial Management**
- 3. Asset Management**
- 4. Risk Management**
- 5. Tax Planning**
- 6. Retirement Planning**
- 7. Estate Planning**
- 8. Integrated Financial Planning**

The first seven Curriculum Components relate to the Fundamental Financial Planning Practices and Financial Planner Abilities described in FPI's Financial Planner Competency Profile, while the Integrated Financial Planning Curriculum Component provides students the opportunity to gain the knowledge and practical skills needed to integrate financial planning abilities, skills and knowledge from the first seven Curriculum Components using real world client situations.

Educators can use the Financial Planning Curriculum Components to create financial planning educational modules/courses that teach students to develop strategies and evaluate the advantages and disadvantages of each strategy; optimise strategies and make recommendations; and prioritise action steps to assist clients in implementing recommendations as part of the process of developing a financial plan. More than one component can form part of a module/subject as long as learning outcomes are covered at an appropriate level.

1. Principles and Practices of Financial Planning

The Principles and Practices of Financial Planning Component provides the student with an introduction to basic financial planning information and principles including: the financial planning process, client interactions and behaviour, time value of money applications, ethical and practice standards for financial planning, compliance issues, economics, and the regulatory environment of the applicable jurisdiction.

2. Financial Management

The Financial Management Component prepares the student to develop strategies and use techniques to optimise short and mid-term cash flow, assets and liabilities, as well as to collect and synthesise information relating to personal financial statements, cash flow and debt, asset acquisition, liabilities, education planning and emergency fund provision.

3. Asset Management

The Asset Management Component prepares the student to develop strategies and use techniques to optimise returns on assets considering the client's requirements and constraints, as well as to understand: various types of securities traded in financial markets, investment theory and practice, portfolio construction and management, and investment strategies and tactics. (Note: The terms "risk," "risk exposure" and "risk tolerance" refer to the risk of financial loss due to market circumstances.)

4. Risk Management

The Risk Management Component prepares the student to develop strategies and use techniques to manage financial exposure due to personal risk. (Note: The terms "risk," "risk exposure" and "risk tolerance" refer to the risk of financial loss due to personal circumstances).

5. Tax Planning

The Tax Planning Component prepares the student to understand and broadly evaluate strategies and techniques to maximise the present value of the client's after-tax net worth and includes: the principles, current law and practice of taxation and their impact on the client's financial situation, and financial planning for individuals, couples and families in their roles as individual investors, employees and business owners.

6. Retirement Planning

The Retirement Planning Component prepares the student to develop strategies and use techniques for wealth accumulation and withdrawal during retirement years, taking into consideration the structure and impact of public and private retirement plans on the client's financial plan.

7. Estate Planning

The Estate Planning Component prepares the student to understand and broadly evaluate strategies and use techniques to handle the preservation and distribution of accumulated assets, and to understand the legal, tax, financial, and non-financial aspects of this process, to efficiently conserve and transfer wealth, consistent with the client's goals.

8. Integrated Financial Planning

The Integrated Financial Planning Component serves as a capstone course that allows the student to engage in critical thinking, make decisions and integrate among the Curriculum Components (Principles and Practices of Financial Planning, Financial Management, Asset Management, Risk Management, Tax Planning, Retirement Planning and Estate Planning) while developing strategies, recommendations and financial plans for clients using real world situations and facts.

IV. Financial Planning Curriculum Learning Outcomes (by Curriculum Component)

A learning outcome is a statement of what a learner is expected to know, understand and be able to do at the end of a period of learning. Learning outcomes are linked to a course's overall level descriptor and are written in terms of "the learner will be able to do something..." or "the learner is expected to be able to do something..."

FPI's Financial Planning Curriculum Learning Outcomes specify the general areas of learning a student is expected to master to enable the student to competently perform. With the exception of the Integrated Financial Planning Component, all learning outcomes described in FPI's Financial Planning Curriculum Framework relate to the Fundamental Financial Planning Practices and Financial Planner Abilities described in FPI's Financial Planner Competency Profile.

1. Principles and Practices of Financial Planning Learning Outcomes

On successful completion of the Principles and Practices of Financial Planning Component, the student will be able to:

- 1.1 Apply the financial planning process in the practice of financial planning
- 1.2 Demonstrate ethical appreciation in dealings and relationships with clients and third parties
- 1.3 Discuss, explain and apply ethical principles, standards of practice and rules of conduct for the practice of financial planning, relevant to the jurisdiction
- 1.4 Demonstrate communications skills
- 1.5 Demonstrate presentation skills
- 1.6 Consider and discuss the impact of compliance issues on the practice of financial planning
- 1.7 Demonstrate knowledge of regulatory, economic and political environments
- 1.8 Demonstrate knowledge of practice management and other business aspects of financial planning
- 1.9 Discuss behavioural aspects of financial planning applicable to the financial planning engagement
- 1.10 Demonstrate the ability to understand and address client attitudes toward risk
- 1.11 Define and describe the process and the practice of financial planning

2. Financial Management Learning Outcomes

On successful completion of the Financial Management Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

- 2.1 Collect information regarding the client's assets and liabilities
- 2.2 Collect information regarding the client's cash flow, income and/or obligations
- 2.3 Collect information necessary to prepare a budget
- 2.4 Prepare statements of the client's net worth, cash flow and budget
- 2.5 Determine the client's propensity to save

- 2.6 Determine how the client makes spending decisions
- 2.7 Determine the client's attitudes toward debt

Consider potential opportunities and constraints and assess information to develop strategies

- 2.8 Determine whether the client is living within financial means
- 2.9 Determine the issues relevant to the client's assets and liabilities
- 2.10 Determine the client's emergency fund provision
- 2.11 Consider potential cash management strategies for the client
- 2.12 Assess whether the emergency fund is adequate
- 2.13 Assess the impact of potential changes in income and expenses
- 2.14 Identify conflicting demands on cash flow
- 2.15 Assess financing alternatives

Synthesise information to develop and evaluate strategies to create a financial plan

- 2.16 Develop financial management strategies
- 2.17 Evaluate advantages and disadvantages of each financial management strategy
- 2.18 Optimise strategies to make financial management recommendations
- 2.19 Prioritise action steps to assist the client in implementing financial management recommendations

3. Asset Management Learning Outcomes

On successful completion of the Asset Management Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

- 3.1 Collect information necessary to prepare detailed statement of investment holdings
- 3.2 Determine the client's current asset allocation
- 3.3 Identify cash flows available for investment
- 3.4 Determine the client's experience with, and attitudes and biases, towards investments
- 3.5 Determine the client's investment objectives
- 3.6 Determine the client's tolerance for investment risk
- 3.7 Identify the client's assumptions and return expectations
- 3.8 Identify the client's time horizon

Consider potential opportunities and constraints and assess information to develop strategies

- 3.9 Calculate required rate of return to reach the client's objectives
- 3.10 Determine the characteristics of investment holdings
- 3.11 Determine the implications of acquiring/disposing of assets
- 3.12 Consider potential investment strategies
- 3.13 Assess whether investment return expectations are consistent with the risk tolerance
- 3.14 Assess whether asset holdings are consistent with risk tolerance and required rate of return

Synthesise information to develop and evaluate strategies to create a financial plan

- 3.15 Develop asset management strategies
- 3.16 Evaluate advantages and disadvantages of each asset management strategy
- 3.17 Optimise strategies to make asset management recommendations
- 3.18 Prioritise action steps to assist the client in implementing asset management recommendations

4. Risk Management Learning Outcomes

On successful completion of the Risk Management Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

- 4.1 Collect details of the client's existing insurance coverage
- 4.2 Identify potential financial obligations of the client
- 4.3 Determine the client's risk management objectives
- 4.4 Determine the client's tolerance for risk exposure
- 4.5 Determine relevant lifestyle issues
- 4.6 Determine health issues
- 4.7 Determine the client's willingness to take active steps to manage financial risk

Consider potential opportunities and constraints and assess information to develop strategies

- 4.8 Determine characteristics of existing insurance coverage
- 4.9 Consider current and potential risk management strategies
- 4.10 Assess exposure to financial risk
- 4.11 Assess the client's risk exposure against current insurance coverage and risk management strategies

- 4.12 Assess the implications of changes to insurance coverage
- 4.13 Prioritise the client's risk management needs

Synthesise information to develop and evaluate strategies to create a financial plan

- 4.14 Develop risk management strategies
- 4.15 Evaluate advantages and disadvantages of each risk management strategy
- 4.16 Optimise strategies to make risk management recommendations
- 4.17 Prioritise action steps to assist the client in implementing risk management recommendations

5. Tax Planning Learning Outcomes

On successful completion of the Tax Planning Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

- 5.1 Collect the information necessary to establish the client's tax position
- 5.2 Identify taxable nature of assets and liabilities
- 5.3 Identify current, deferred and future tax liabilities
- 5.4 Identify parties relevant to the client's tax situation
- 5.5 Determine the client's attitudes toward taxation

Consider potential opportunities and constraints and assess information to develop strategies

- 5.6 Review relevant tax documents
- 5.7 Consider potential tax strategies and structures
- 5.8 Evaluate existing tax strategies and structures for suitability
- 5.9 Assess financial impact of tax planning alternatives

Synthesise information to develop and evaluate strategies to create a financial plan

- 5.10 Develop tax planning strategies
- 5.11 Evaluate advantages and disadvantages of each tax planning strategy
- 5.12 Optimise strategies to make tax planning recommendations
- 5.13 Prioritise action steps to assist the client in implementing tax planning recommendations

6. Retirement Planning Learning Outcomes

On successful completion of the Retirement Planning Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

- 6.1 Collect the details of potential sources of retirement income
- 6.2 Collect the details of estimated retirement expenses
- 6.3 Determine the client's retirement objectives
- 6.4 Determine the client's attitudes towards retirement
- 6.5 Determine the client's comfort with retirement planning assumptions

Consider potential opportunities and constraints and assess information to develop strategies

- 6.6 Develop financial projections based on current position
- 6.7 Determine if the client's retirement objectives are realistic
- 6.8 Consider potential retirement planning strategies
- 6.9 Assess financial requirements at retirement date
- 6.10 Assess the impact of changes in assumptions on financial projections
- 6.11 Assess trade-offs necessary to meet retirement objectives

Synthesise information to develop and evaluate strategies to create a financial plan

- 6.12 Develop retirement planning strategies
- 6.13 Evaluate advantages and disadvantages of each retirement planning strategy
- 6.14 Optimise strategies to make retirement planning recommendations
- 6.15 Prioritise action steps to assist the client in implementing retirement planning recommendations

7. Estate Planning Learning Outcomes

On successful completion of the Estate Planning Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

- 7.1 Collect legal agreements and documents that impact estate planning strategies
- 7.2 Identify the client's estate planning objectives
- 7.3 Identify family dynamics and business relationships that could impact estate planning strategies

Consider potential opportunities and constraints and assess information to develop strategies

- 7.4 Project net worth at death
- 7.5 Consider constraints to meeting the client's estate planning objectives
- 7.6 Consider potential estate planning strategies
- 7.7 Calculate potential expenses and taxes owed at death
- 7.8 Assess the specific needs of beneficiaries
- 7.9 Assess the liquidity of the estate at death

Synthesise information to develop and evaluate strategies to create a financial plan

- 7.10 Develop estate planning strategies
- 7.11 Evaluate the advantages and disadvantages of each estate planning strategy
- 7.12 Optimise strategies to make estate planning recommendations
- 7.13 Prioritise action steps to assist the client in implementing estate planning recommendations

8. Integrated Financial Planning Learning Outcomes

On successful completion of the Integrated Financial Planning Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

- 8.1 Identify the client's objectives, needs and values that have financial implications
- 8.2 Identify the information for the financial plan
- 8.3 Identify the client's legal issues that affect the financial plan
- 8.4 Determine the client's attitudes and level of financial sophistication
- 8.5 Identify material changes in the client's personal and financial situation
- 8.6 Prepare information to enable analysis

Consider potential opportunities and constraints and assess information to develop strategies

- 8.7 Analyse the client's objectives, needs, values and information to prioritise the financial planning components
- 8.8 Consider inter-relationships among financial planning components
- 8.9 Consider opportunities and constraints and assess collected information across financial planning components
- 8.10 Consider the impact of economic, political and regulatory environments
- 8.11 Measure the progress toward achievement of objectives of the financial plan

Synthesise information to develop and evaluate strategies to create a financial plan

- 8.12 Prioritise recommendations from the financial planning components to optimise the client's situation
- 8.13 Consolidate the recommendations and action steps into a financial plan
- 8.14 Determine the appropriate cycle of review for the financial plan

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