



AFP® Certification Education Program Syllabus and Course Plan

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| SUBJECT | AFP® Certification Education Program | |
| MODE OF STUDY | Lectures | 120 hours |
| PRE-REQUISITE | Valid IFPHK candidacy | |
| ASSESSMENT | Attendance | At least 70% |
| CALCULATOR | Only models on the list of Approved Calculators are admissible to the CFP Certification Examinations. Please refer to the Examination Handbook for details. | |

OBJECTIVES

This program introduces the basic elements and steps in the financial planning process. This program will equip students with the essential knowledge and skills to perform financial planning services for clients. It enables students to develop the skills to use insurance as a tool to manage personal risk, provide students with analytical and valuation skills of different types of securities and investment alternatives and equip students with skills and knowledge in retirement planning.

As students progress in the CFP^{CM} Certification Education Program and acquire more advanced and specific knowledge in disciplines such as Insurance Planning and Risk Management, Investment Planning and Asset Management, Tax Planning and Estate Planning, they will then be able to apply all these knowledge to construct comprehensive financial plans in the capstone course, Financial Planning Practice.

After successfully completing this program, students should be able to:

- Collect and identify the quantitative and qualitative information required to develop strategies for consumption, retirement, investments and personal risk management for their clients.
- Identify the client's objectives, needs and values that have financial implications for consumption, retirement, investments and personal risk management.
- Identify material changes in the client's personal and financial situation
- Determine the client's attitudes and level of financial sophistication.
- Prepare information to enable analysis for consumption, retirement and investment planning and personal risk management.
- Consider potential opportunities and constraints to develop strategies for consumption, retirement, and personal risk management.
- Consider the impact of economic, political and regulatory environments.
- Assess information to develop strategies for consumption, retirement, and personal risk management.
- Evaluate advantages and disadvantages of each financial management and retirement strategy



In terms of financial planner professional skills, students should be able to:

- Establish trust in all professional relationships
- Act in the best interest of the client in providing professional services
- Demonstrate ethical judgment
- Demonstrate intellectual honesty and impartiality
- Recognize limits of competence and voluntarily seeks the counsel of and/or defers to other professionals when appropriate
- Recognize the public interest role of the profession and acts accordingly
- Comply with relevant financial services laws and regulations
- Adhere to professional code of ethics and standards of practice
- Make appropriate judgments in areas not addressed by existing practice standards

Students should be able to apply mathematical methods or formulas as appropriate.



ALLOCATION OF TOPICS

| Topics | Teaching Hours |
|--|----------------|
| 1 Financial Management | 25.5 |
| Functions of financial management | 0.5 |
| Forms of Business | 0.5 |
| Financial Statements Analysis | 5.0 |
| Personal Financial statement analysis | 1.0 |
| Time value of money (TVM) | 5.0 |
| Application of TVM | 1.0 |
| Valuation principle | 1.0 |
| Discounted cash flow analysis (DCF) | 4.0 |
| Advanced topics in DCF | 2.0 |
| Education funding | 1.5 |
| Financing asset acquisitions | 4.0 |
| 2 Personal financial planning | 21.0 |
| Introduction to personal financial planning | 1.0 |
| Financial Planning Process | 4.0 |
| The financial planning industry and profession | 0.5 |
| Overview of financial planning components | 7.5 |
| Advisory Essentials | 8.0 |
| 3 Retirement Planning | 11.0 |
| Classification of Retirement Plans | 0.5 |
| Retirement Plans in HK | 0.5 |
| Mandatory Provident Fund Schemes (MPF) | 2.0 |
| Challenges and risk in retirement planning | 2.0 |
| Cash flow Management | 3.0 |
| Retirement planning recommendations | 3.0 |
| 4 Investment planning | 32.0 |
| Financial system and markets (Functions and types) | 3.0 |
| Asset classes and Financial instruments | 4.0 |
| Macroeconomic Analysis (basic concepts) | 4.0 |
| Interest rates | 1.0 |
| Investment planning | 3.0 |
| Bond Basics | 4.5 |
| Stock Valuation and Security Analysis | 4.0 |
| Options and warrants (payoffs) | 2.0 |
| Pooled investments (types and features) | 1.5 |
| Foreign Exchange (basic principles) | 2.0 |
| Investment Return and Risk | 3.0 |



| Topics | Teaching Hours |
|---|----------------|
| 5 Insurance Planning | 22.0 |
| Risk and Insurance | 2.0 |
| Legal aspects of insurance | 2.5 |
| The Insurance Industry | 2.0 |
| Managing Personal Risks | 2.5 |
| Life insurance products | 7.0 |
| Annuities | 2.0 |
| Health risk Protection | 1.5 |
| Income risk protection | 1.0 |
| Other Insurance | 1.5 |
| 6 Ethical and regulatory requirements for financial planners | 7.5 |
| Ethics | 1.0 |
| Regulatory framework of financial industry | 2.0 |
| Regulatory framework of insurance industry | 2.0 |
| Regulatory framework of MPF system in Hong Kong | 2.0 |
| Other Relevant Legislation | 0.5 |
| 7 Management of a financial planning practice | 1.0 |
| Management of a financial planning practice | 1.0 |
| 120.0 | |

ESSENTIAL READINGS

- Study Guide for AFP[®] Certification
- Cheng, Fundamentals of Financial Planning, McGraw Hill Education (Asia)
- Fundamentals of Risk and Insurance, John Wiley & Sons (Asia)
- Bodie, Kane and Marcus, Essentials of Investments, McGraw-Hill/Irwin
- Supplementary Notes for AFP[®] Certification

IMPORTANT NOTES

The IFPHK textbooks are designed as useful and reliable study aids for students studying for the AFP and CFP Certification Education Program. Candidates are also encouraged to study other supplementary materials listed in the AFP Certification Examination Handbook.