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Institute of Financial Planners of Hong Kong (IFPHK)

In view of the growing demand for qualified and competent financial planning services and the need for a one-stop shop for professional financial services, IFPHK was established in June 2000 as a not-for-profit professional membership body. The primary purpose of forming the Institute is to develop and maintain the high professional standards and self-discipline for providers of financial planning services in Hong Kong to ensure that the consumers are well-served and their interests are protected.

IFPHK has over 5,500 members in Hong Kong and is regarded for its high standards and commitments to professionalism in the financial planning industry in Hong Kong. It is the sole licensing body in Hong Kong that grants the highly-regarded CERTIFIED FINANCIAL PLANNER^{CM} certification to qualified financial planning professionals.

IFPHK has recently widened its reach as a 'one-stop shop' for professional financial services, and is now offering the foundation-level Financial Advisers' International Qualification (FAIQ) to raise the standards of financial advisers to internationally-recognised levels.

Further information on IFPHK and its wide range of products and services can be found at www.ifphk.org

The Chartered Insurance Institute (CII)

The CII is the premier professional organisation for those working in the global insurance and financial services industry. It is dedicated to promoting higher standards of competence and integrity through the provision of relevant qualifications for employees at all levels and across all sectors of the industry.

Success in CII qualifications is universally recognised as a sign of commitment and professionalism.

Members of the CII benefit by being one of 90,000 people who belong to the largest professional body dedicated to the insurance, savings and financial services sector in the world. Its broad portfolio of education and qualification services is continually expanding to meet the changing requirements of companies and individuals across the financial services community.

Further information on the CII and its wide range of products and services can be found at www.cii.co.uk

Financial Advisers' International Qualification

Financial services professionals are currently in great demand in Hong Kong. This need for professional financial advice and sound financial planning has turned financial services into a lucrative market for many professionals and ambitious graduates.

Concurrently, there is a growing need for better professional qualifications to provide a solid grounding on fundamentals and ethics. Financial advisers and financial planners, in particular, have become the focus of particular attention in this regard as governments worldwide seek to drive up the standard of advice and product recommendation.

In response, The Institute of Financial Planners in Hong Kong (IFPHK), in partnership with the internationally-recognised Chartered Insurance Institute (CII), has developed a Hong Kong version of the prestigious Financial Advisers' International Qualification (FAIQ). Previously titled the International Certificate for Financial Advisers, this qualification has been created specifically to cater for the needs of:

- financial services professionals, customer relationship officers, insurance agents, stockbrokers and graduates, seeking to advance their careers in the financial services industry; and
- professionals seeking to differentiate themselves from their competitors and gain the recognition of their employers and peers.

This qualification is solely managed by IFPHK in Hong Kong, allowing professionals and graduates here to join their international peers in taking an *internationally-recognised* certification exam that is conducted at the same time around the world.

The goal of the certification is to provide a *solid grounding* in core financial products of interest to advisers and their clients, offer guidance on *sound professional practice*, and provide a framework for *ethical behaviour*.

Holders of this qualification are eligible to apply to use the designation 'FAIQ (CII)' (membership and Continuing Professional Development requirements apply).

The international appeal of the FAIQ is aptly demonstrated by the fact that to-date candidates have applied from countries across the world including, but not limited to: Argentina, Bahrain, Barbados, Brazil, China, Hong Kong, Macau, Japan, Malaysia, Pakistan, Russia, Saudi Arabia, Singapore, Slovakia, South Africa, Thailand, United Arab Emirates and Vietnam.

Benefits

The FAIQ provides the following benefits:

- Internationally-recognized certificate to be jointly awarded on successful completion by CII and IFPHK.
- Provides a good starting point for anyone serious about financial services by providing an easy-going introduction to professional fundamentals of financial services products and professional conduct, even for those who are not from the same industry.
- Provides sound international knowledge since it concentrates upon the core principles of financial services products and professional conduct accepted worldwide.
- Relevant to local needs as the syllabus also covers Hong Kong market practices, products and legislation with 25% of the exam specifically testing on local knowledge.
- A one-stop learning service that covers the study manual, examination guide, sample questions and one sitting of the exam for a single fee.
- The exam and course materials are now conveniently available in both English and Chinese.
- Each exam is conducted in the same manner, around the world, maintaining the certification standards internationally.
- Open to everyone—from graduates to professionals looking to gain an advantage in a highly competitive financial services industry.
- Improves career prospects by demonstrating commitment to self-improvement.

- Holders can apply to use the designation 'FAIQ (CII)' providing a means of demonstrating educational achievement to the public and to peers (membership and Continuing Professional Development requirements apply).

How does FAIQ differ from the rest?

Compared to similar entry-level certification in the region, the new FAIQ serves as a benchmark for global quality in financial advice.

When you successfully attain the certificate, you gain two key advantages that competing certifications fail to provide:

1. A solid grounding in the core financial advice and financial planning products to build your career upon.
2. Recognition of your employers, peers and customers.

Immediate recognition

Success in passing exam opens up several opportunities for immediate recognition by your peers, customers and the financial services industry as a whole.

- Successful candidates will be awarded a Certificate stating their accomplishment.
- They will also be invited to apply for membership.
- FAIQ graduates who apply for membership will be able to indicate their designation **FAIQ (CII)** and **IFPHK Associate Member** on their professional identifications, including name cards.

** Designation availability subject to membership requirement.*

Membership privileges

You also automatically gain all the benefits of both institutions that are designed to enhance your career internationally and locally.

Benefits of IFPHK Associate Membership include:

- members can indicate their membership status on their professional documents, including their name cards, gaining recognition from peers and customers, and becoming part of a prestigious group of financial services dedicated to sound advice and ethics;
- free subscription to *Advisors Today*, HK's leading financial planning publication, with news, analysis and comments on current issues;
- member newsletter;
- special member's rates to attend seminars, forums and conferences organised by IFPHK;
- invitation to attend social events organised by IFPHK;
- discounts for books in selected bookshops; and
- library services and internet access at IFPHK office.

Benefits of CII Membership include:

- members of the CII benefit by being one of 90,000 people who belong to the largest professional body dedicated to the insurance, savings and financial services sector in the world;
- being a member of the CII is not only a universal recognition of professionalism but also means that, when qualified, you are entitled to use designatory letters after your name (CII membership and Continuing Professional Development requirements apply);

- discounts for exams and learning materials, including the CII's online training system ed. LEARN®;
- free subscription to *The Journal*, the UK market's leading insurance publication to keep you up-to-date on the latest news and information;
- free access to CII Information Services - a comprehensive resource on insurance, risk and related financial services. You can also get discounts on books and other publications; and
- you can support your ongoing regulatory competence and compliance needs through a Continuing Professional Development (CPD)* scheme and receive discounted access to ed.ASSESS®, the CII's online competence system.

** All FAIQ graduates are required to commit to an annual CPD programme to maintain relevancy and safeguard professionalism.*

Course information

To attain the qualification, you must study the materials provided and then pass the associated exam.

The exam itself takes the form of a two and a half hour paper consisting of 100 multiple-choice questions. There are two public exam sittings annually—April and October.

The exam is now available in both English and Chinese. To choose, you need to use the application form, that is in the language you want to be examined in. E.g., if you use a Chinese application form to apply for FAIQ, it will automatically determine that you prefer your exam to be conducted in Chinese.*

The nominal pass mark is 70%, though this may vary slightly from one session to another to ensure that the pass standard remains constant.

To help you understand topics and prepare you adequately for the exam at your own time and pace, the following study aids will be provided:

- a complete study manual which includes a glossary of important terms;
- an examination guide; and
- sample examination questions.

The study manual, provides guidance on the fundamentals of financial services products: protection, savings, investment and pensions, together with Hong Kong-related chapters on the regulatory framework of the local market and Hong Kong taxation. It also contains an outline of the behaviour required to provide a truly professional level of service.

The study manual breaks down into eight chapters, each with clearly-defined learning objectives. To prepare sufficiently, all chapters conclude with a series of self-test questions which enable you to monitor your progress as you prepare for the exam itself.

The study manual contains a glossary of important terms and an examination guide. The latter comprises of a specimen paper and answers, which consequently highlights the syllabus areas covered, and includes useful hints on how to pass the exam.

The study manual is also available in both English and Chinese for your convenience. The language version of the study manual you will receive will depend on the language of the application form used to apply for the exam. E.g., if you use the Chinese application form to apply for FAIQ, then the study manual you will receive will be in Chinese.

As a guide, it is recommended that you allow a minimum of 80 hours' study to prepare for this exam (this will vary according to your experience and ability but is based on many years of experience of exam entry).

** Please note that you cannot change the exam language after application.*

Syllabus information

The Financial Advisers' International Qualification is based on a published syllabus. It will be available to you when you apply. A summary can be found below.

Objective: To provide knowledge and understanding of the financial planning process within a professional business environment, and the core financial products suitable to client's needs.

The syllabus is made up to three elements which are listed below.

Element A – Providing professional advice

- **Understanding client's needs.** This includes:
 - understanding of the seven typical life stages;
 - identifying a client's real financial needs;
 - applying financial planning criteria;
 - applying features of different types of products to a client's needs.
- **The fact finding process.** This includes:
 - knowledge of what a fact-find is;
 - applying principles of conducting a fact-find;
 - knowing and recording the main categories of client and family;
 - personal and financial details;
 - understanding how a client profile can be affected;
 - knowing the main areas of financial planning;
 - applying information collected in a fact-find.
- **Elements of good practice.** This includes:
 - knowledge that the financial adviser has a duty to ensure the client understands fully;
 - the implications of accepting the adviser's recommendations;
 - the difference in status between advisers;
 - the disclosure of status;
 - recommending most suitable products;
 - key features of financial services products;
 - methods to monitor sales performance;
 - the steps to take if advice is rejected;
 - obtaining the best terms;
 - the impact of switching between providers;
 - cancellation arrangements;
 - complaints procedures;
 - compensation agreements.

Element B – Product Knowledge

- **Knowledge and application of protection products.** This includes:
 - knowledge of the circumstances in which needs arise;
 - policy features of protection products which affect suitability for a client and the policy features of these protection products;
 - understanding tax treatment of protection products and applying these products to satisfy a client's needs.
- **Knowledge and application of savings and investment products.** This includes:
 - knowledge of the circumstances in which needs arise;
 - policy feature of savings and investment products which affect suitability for a client and the policy

- features of these savings and investment products;
 - understanding tax treatment of savings and investment products;
 - the relationship between risk and return;
 - the effects of inflation and interest rates;
 - applying these products to satisfy a client’s needs.
- **Knowledge and application of retirement-related products.** This includes:
 - evaluating a client’s pension requirements;
 - policy features of pension products which affect suitability for a client and the policy features of these pension products;
 - understanding tax treatment of pension products;
 - applying these products to satisfy a client’s needs.

Element C – Regulatory Framework and Taxation

- **Knowledge of the regulatory framework of the financial services industry in Hong Kong.** This includes:
 - knowledge of the financial system framework, and roles and functions of the statutory regulators in Hong Kong;
 - key features of the mandatory provident funds system in Hong Kong;
 - the licensing requirements of the financial services intermediaries in Hong Kong;
 - understanding those regulations stipulated in the Securities and Futures Ordinance which are relevant to financial advisers;
 - knowledge of the guidelines and general principles of money laundering and handling of personal data by financial advisers.
- **Knowledge and application of Hong Kong taxation.** This includes:
 - the importance of tax planning, and the circumstances in which tax planning arises;
 - key features of the Hong Kong tax environment and major tax policies;
 - understanding of the Hong Kong Salaries, Profits and Property Tax System including the scope of charge, basis of assessment, and applicable deductions and allowances;
 - understanding of Personal Assessment in Hong Kong and its applicable deductions;
 - understanding of the Hong Kong Stamp Duty;
 - common tax strategies to improve tax efficiency.

Fees and Application Form

Course Fees

The one-off fee of HK\$1,500 covers the coursebook, examination guide, sample examination questions and one exam entry.

The exam fees are non-refundable and non-transferable. If you fail an exam or withdraw from the examination, the fee for re-sitting the exam is HK\$750 on each occasion.

Application procedure

To apply, please complete the application form and send it to the address shown.

IFPHK

Unit 2601, 26th Floor, Bank of East Asia Harbour View Centre,
56 Gloucester Road, Wanchai, Hong Kong

For immediate enquiries, please call 2982 7888 or email to faiqinfo@ifphk.org