



FOR IMMEDIATE RELEASE

US Financial Standards Planning Board Report on Fintech and the Future of Financial Planning

(Hong Kong – 9 November, 2016) For the last two years, the Institute of Financial Planners of Hong Kong affiliated Financial Planning Standards Board Ltd. (FPSB), the nonprofit professional standards-setting body for the global financial planning profession, has examined how the advent of fintech platforms and tools and automated advice could shape the future of financial planning. Last year, FPSB conducted research on the potential impact of automated advice, and received 92 responses from CERTIFIED FINANCIAL PLANNER professionals and FPSB member organizations in 20 territories. This year, FPSB expanded the scope of the research on automated advice to include questions about the impact and implications of fintech. FPSB heard from 26 member organizations and almost 1,700 CERTIFIED FINANCIAL PLANNER professionals in 29 territories, including those in Hong Kong.

Through several surveys, FPSB invited its members and CERTIFIED FINANCIAL PLANNER professionals to comment on: factors driving demand for fintech tools; which parts of the financial planning process could be automated; which consumers would be best suited to use fintech tools; what practitioners' expectations are for fintech innovation in the near future; and what roles regulators and the profession should play in overseeing the use of fintech tools by practitioners. The findings have culminated into FPSB's *Report on Fintech and the Future of Financial Planning*.

Apart from seeing automated advice tools as both a threat and an opportunity, CERTIFIED FINANCIAL PLANNER professionals around the world are relatively at ease about this disruptive technology, and view fintech as more of a complement to their businesses. Those surveyed think that automated advice and fintech tools enable them to increase practice efficiencies or cost-effectiveness; serve clients who are younger, lower-income and with fewer investable assets; and free them up to devote more time to activities that bring added value to clients.

CERTIFIED FINANCIAL PLANNER professionals feel that automated advice tools should not be viewed as a replacement for human interaction with a client. Most importantly, they feel that the practice of financial planning relies on human interaction and that the "personal touch," the listening, feeling, exploring and interpreting of qualitative information that is central to the financial planning process, cannot be replaced by automated advice tools. In short, automated advice tools are requiring human advisers to become "more human".

FPSB will continue to encourage continuing global conversation within the financial planning community to ensure that, regardless of the implications of fintech on financial planning advice models, consumers will continue to have access to financial advice that is in their best interests.

FPSB's *Report on Fintech and the Future of Financial Planning* can be downloaded here <https://www.fpsb.org/fintech-future-financial-planning/>.

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About IFPHK

IFPHK was established in June 2000 as a non-profit organization for the fast-growing financial services industry. It aims to be recognized in the region as the premier professional body representing financial planners dedicated to upholding the highest professional standards.

The Institute is the sole licensing body in Hong Kong authorized by Financial Planning Standards Board Limited to grant the much-coveted and internationally-recognized CFP^{CM} Certification and AFPTM Certification to qualified financial planning professionals in Hong Kong and Macau.

It represents more than 7,600 financial planning practitioners in Hong Kong from such diverse professional backgrounds as banking, insurance, independent financial advisory, stock broking, accounting, and legal services.

Currently there are more than 161,000 CFP certificants in 26 countries/regions; the majority of these professionals are in the U.S., Canada, China, Australia and Japan, with about 4,700 CFP certificants in Hong Kong.

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