



**Press Release**

**June 2012 CFP<sup>CM</sup> Certification Examination Results Announcement**

(20 August 2012) The Institute of Financial Planners of Hong Kong (“IFPHK”) today announced the results of the 22<sup>nd</sup> CFP Certification Examination which was held on 23 and 24 June 2012. The number of candidates who attended each examination paper was 295 candidates for Paper 1, 326 candidates for Paper 2, 307 candidates for Paper 3 and 372 candidates for Paper 4.

The Examination forms part of the 4E CFP certification process that all candidates have to go through to attain the CFP certification mark. The 4Es represent Education, Examination, Experience and Ethics. In addition to the 4Es, successful CFP professionals must also demonstrate their professionalism by continually updating their abilities through continuing education activities and abiding by IFPHK’s Code of Ethics and Professional Responsibility.

**Highlights of the June 2012 CFP Certification Examination Results**

**Pass Rate**

Out of the 4 papers, Paper 4 saw the highest pass rate of 58.60%, meanwhile Paper 3 experienced a relatively low pass rate of 40.07%.

<b>Paper</b>	<b>Pass Rate</b>
Paper 1 – Insurance and Retirement Planning	47.46%
Paper 2 – Tax and Estate Planning	45.40%
Paper 3 – Investment Planning	40.07%
Paper 4 – Financial Planning Practice	58.60%

**Distribution of Examination Questions**

The tables below show the percentage of questions from each topic in the CFP Certification Examination in June 2012, and provide a rough guide to understanding the coverage of each topic for Papers 1, 2 and 3.

**Paper 1 - Insurance and Retirement Planning**

Slightly more than half of this paper included questions on insurance planning. The rest of the questions were divided equally between general principles of financial planning and employee benefits/retirement planning.

<b>Topic Area</b>	<b>No. of Questions</b>	<b>%</b>
Financial Planning Process	20	22.22
Insurance Planning	50	55.56
Employee Benefits and Retirement Planning	20	22.22
<b>Total</b>	<b>90</b>	<b>100.00</b>

**Paper 2 – Tax and Estate Planning**

Slightly less than half of the paper assessed candidates on tax planning. This was followed by questions for general principles of financial planning and estate planning.

<b>Topic Area</b>	<b>No. of Questions</b>	<b>%</b>
Financial Planning Process	26	32.50
Tax Planning	36	45.00
Estate Planning	18	22.50
<b>Total</b>	<b>80</b>	<b>100.00</b>



### Paper 3 – Investment Planning

Three quarters of this paper covered investment planning, with the rest assessing the candidates on general principles of financial planning.

Topic Area	No. of Question	%
Financial Planning Process	20	25.00
Investment Planning	60	75.00
<b>Total</b>	<b>80</b>	<b>100.00</b>

### Ten Weakest Topics

The tables below show the candidates' 10 weakest topics for Papers 1, 2 and 3 of the CFP Certification Examination in June 2012.

"Information on 10 weakest topics" regarding Paper 4 did not apply as the Paper was a case-related examination that covered integrated topics of the CFP Certification Examination syllabus. The 60 questions in the Paper tested candidates' ability to integrate knowledge from different topic areas of financial planning.

### Paper 1 - Insurance and Retirement Planning

A total of 40 topics are tested in Paper 1, below are the 10 weakest topics.

Topic No.	Topic
2	Gathering client data and determining goals and expectations
5	Implementing the financial plan
8	Ethical and professional considerations in financial planning
10	Financial planning for special needs
17	Budgeting
18	Personal use-asset management
19	Principles of insurance
21	Legal aspects of insurance
24	Policy analysis
29	Selecting Insurance Companies and Agencies

### Paper 2 – Tax and Estate Planning

A total of 45 topics are tested in Paper 2, below are the 10 weakest topics.

Topic No.	Topic
3	Determining the client's financial status by analysing and evaluating clients' information
5	Implementation the financial plan
7	Regulatory requirements for CFP certificants
54	International tax planning
55	Tax calculations and special rules
56	Tax accounting
61	Interest and penalty taxes and other charges
62	Tax pitfalls
75	Estate planning pitfalls and weaknesses
77	Estate planning documents



### Paper 3 – Investment Planning

A total of 38 topics are tested in Paper 3, below are the 10 weakest topics.

Topic No.	Topic
9	Assessment of risk and client behavior
12	Calculate and interpret time value of money
17	Budgeting
18	Personal use-asset management
34	Influence of time on investment risk
37	Types and measures of investment returns
38	Bond and stock valuation methods
42	Leverage and use of borrowed funds for investing
45	Pricing models
49	International finance and foreign exchange

For more information regarding statistics for June 2012 CFP Certification Examination results, you may click to: [Paper 1](#), [Paper 2](#), [Paper 3](#) and [Paper 4](#).

### Revamp of the CFP Certification Program

The CFP Certification Program was revamped in 2011. The above CFP Certification Examination (4-paper mode) was offered under the old structure. It will be offered for the last time in June 2013.

### About IFPHK

IFPHK was established in June 2000 as a non-profit organisation for the fast-growing financial industry. It aims to be recognised 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 authorised by Financial Planning Standards Board Limited to grant the much-coveted and internationally-recognized CFP<sup>CM</sup> certification and AFP<sup>TM</sup> certification to qualified financial planning professionals in Hong Kong and Macau.

It represents more than 10,000 financial planning practitioners in Hong Kong from such diverse professional backgrounds as banking, insurance, independent financial advisory, stockbroking, accounting, and legal services.

Currently there are more than 139,000 CFP certificants in 24 countries/regions; the majority of these professionals are in the U.S., Canada, China, Australia and Japan, with more than 4,500 CFP certificants in Hong Kong.

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