



**PRESS ADVISORY
FOR IMMEDIATE RELEASE**

**IFPHK URGES ENTRY REQUIREMENTS FOR
HONG KONG FINANCIAL PLANNERS**

Hong Kong, May 28, 2013 – The Institute of Financial Planners of Hong Kong (IFPHK) is urging an entry requirement for all of Hong Kong's financial planners, aiming to raise the professional standards of the industry.

This new proposal would demand that all financial planners entering the industry hold at least an associate degree or professional training in specified fields such as finance and accounting.

By insisting on a minimum academic background for all practitioners, the IFPHK advocates for the better protection to retail investors and engages public confidence.

The advocacy reflects a global trend towards raising standards for the financial planning profession as well as incorporating the widely held view of regulators worldwide that those offering financial advice to consumers should meet minimum standards.

A growing consensus among regulators and business that minimum standards are needed for financial planning

For example, the newly established Financial Conduct Authority in the United Kingdom, headed by former Chairman of Hong Kong's Securities and Futures Commission Martin Wheatley, has required all financial advisors from the end of 2012 to meet minimum entry educational requirements and acquire a Statement of Professional Standing. The new rules also ban financial advisors from taking commissions on product sales, in order to ensure fair and unbiased representation.

In June 2012, Hong Kong's Legislative Council recommended that the Government and regulators consider ways to provide better protection to consumers, based on the UK experience, when it released its report on financial advisory malpractice in the Lehman Brothers-related mini-bond and structured financial products.

In addition to a growing consensus among regulators that financial planners must meet minimum standards, the private sector has been moving in the same direction. The Denver, Colorado-based Financial Planning Standards Board (FPSB), the global professional standards-setting body for financial planning and owner of the CFP marks outside the US, is moving towards adopting a formal position on standards for financial advisory professionals (*see attached FPSB Update, May*). At the FPSB's recent global meeting in Hong Kong from April 22-26, FPSB Chief Executive Officer Noel Maye outlined the FPSB's vision, which is to establish financial planning as a distinct global profession, with the CFP mark as its symbol of excellence. IFPHK is one of 24 international affiliates of the organization.

Hong Kong ranks first worldwide in number of CFP professionals per capita

The number of CERTIFIED FINANCIAL PLANNER^{CM} professionals, also known as CFP professionals, has increased rapidly in the past decade, from about 55,000 in 2000 to nearly 150,000 in 2012. With 4,700 CFP professionals, Hong Kong ranks sixth globally in the number of CFP professionals, trailing the United States, with 67,241 CFP professionals. However, Hong Kong ranks first in the number of CFP professionals per capita, at one for every 1,526 people. This compares to one per 65,473 people in the UK and one per 97,765 people in China.



	No. of CFP Professionals	Population	CFP Professionals per capita
Hong Kong	4,700	7,173,900	1,526
Canada	17,368	35,056,064	2,018
Australia	5,437	23,014,060	4,233
United States	67,241	315,809,000	4,697
Singapore	908	5,312,400	5,851
Japan	18,548	127,340,000	6,865
United Kingdom	965	63,181,775	65,473
China	13,850	1,354,040,000	97,765

IFPHK has been in the forefront globally by expanding the pool of CFP professionals by improving its certification programs. It introduced the AFP certification in June 2011, to serve as a progressive pathway to CFP certification. It has also introduced a mandatory requirement for certificants to complete a minimum of 15 credits of continuing education (CE) every year (two of which must be obtained from CE programs on compliance or ethics), in order to stay current with developments in the financial planning profession and better serve clients. IFPHK has also introduced Hong Kong's first financial education award in order to encourage and recognize organizations that have invested in promoting financial planning education.

IFPHK's premier CFP certification requires candidates to complete education programs, sit for exams, have three years of qualified work experience, and follow a strict code of professional conduct. Its approach to financial planning is based on a six-step approach from establishing a clear client-planner relationship to developing, implementing and monitoring the client's financial plan etc.

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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 6,800 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 147,000 CFP professionals in 24 countries/regions; the majority of these professionals are in the U.S., Canada, China, Australia and Japan, with more than 4,700 CFP professionals in Hong Kong.

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FPSB UPDATE

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FPSB
Chairperson
Steve Helmich
(left)
addresses the
FPSB Strategic
Topics session
(right).



FPSB Members Discuss Raising Standards for CFP Certification, FPSB's Role in the Professional Advice Space, and a Compensation Position

Hong Kong – During an update and strategy session between FPSB's Board of Directors and FPSB Members, FPSB Chairperson Steve Helmich introduced a discussion on elevating the rigor of FPSB's global standards to help consumers appreciate the benefits of working with CFP professionals, as well as developing positions for FPSB's role in the professional advice space and on financial planner compensation.

FPSB Board Member and Standards Committee Chairperson Ian Johnston stated that recent scandals led regulators to believe that disclosure alone failed to protect consumers from mis-selling. He noted that the financial services industry had failed to lead, causing regulators to move toward banning or restricting commissions, and increasing entry-level requirements to provide financial advice. Mr. Johnston, who serves as a regulator in Dubai, said his peers do not differentiate between financial advisers and financial planners, and that they follow a mandate for market integrity and consumer protection, not industry development. He encouraged financial planners to set higher professional standards for

competence and ethics, ensure that clients' interests always come first, provide advice tailored to fit client needs, and charge fairly for services.

Mr. Johnston, and FPSB CEO Noel Maye, presented recommendations by the FPSB Standards Committee for standards and guidance around FPSB's Assessment Framework, Financial Planner Work Experience, CPD requirements, Exam, Competency Profiles and the governance process for developing and implementing FPSB standards. Mr. Maye said the Standards Committee would continue to address FPSB's CPD requirement in light of increasing regulatory minimum standards in a number of jurisdictions around the world.

Barry Horner, CFP, FPSB Council Chairperson, also presented recent work by FPSB's Regulations Advisory Panel (RAP) describing how FPSB could position itself and CFP certification within the larger financial advice space. Mr. Horner introduced high-level principles developed by the RAP to support a potential global FPSB position on financial planner compensation, as well as guidance for FPSB Members in working with regulators looking to implement regulatory reform. ■



View Po's speech at
youtube.com/financialplanningsb

Financial Planning Professionals Important to Protecting Investors

Stephen Po, chairman of IOSCO's Standing Committee on Regulation of Market Intermediaries and senior director of intermediaries supervision for Hong Kong Securities and Futures Commission, addressed the FPSB meeting attendees in Hong Kong on the regulation of selling investment products.

Mr. Po emphasized the important role financial planning professionals play in protecting the interest of investors and highlighted growth opportunities in financial planning before detailing IOSCO's efforts to enhance the regulation of selling investment products.

Outlining the nine principles from the January 2013 IOSCO report "Suitability Requirements with Respect to the Distribution of Complex Financial Products," Mr. Po highlighted both the importance of, and complexity in dealing with, financial product disclosures.

FPSB member organizations provided comment that was included in the final report, which is available online at www.iosco.org/library/pubdocs/pdf/IOSCOPD373.pdf. ■

FPSB Forums Collaborate on Growing Financial Planning Profession

FPSB Chief Executives and Volunteers Discuss Regulation and Growth

At FPSB's Hong Kong meeting, FPSB member organization Chief Executives and Volunteer Leaders met jointly to share experiences with regulatory change and discuss strategies for the future growth of CFP certification globally.

Acting Chief Executives Forum Chairperson Mark Rantall, CFP, of Australia, joined Ranjeet Mudholkar, CFP, of India, Kimmis Pun, CFP, of Singapore, and Becky Taylor, CFP, of the UK on a panel to discuss the impact of regulation on CFP professionals and their organizations. The group stressed the need to get involved with regulators early, and to keep the lines of communication open to assist CFP professional in preparing to meet new requirements.

The Chief Executives and Volunteer Leaders also participated in a breakout session to discuss factors affecting growth of the CFP certification program in their territories.



Becky Taylor, CFP, and Mark Rantall, CFP, discuss the impact of regulation on the financial planning.



Chief Executives and Volunteer Leaders Forums.

The meeting participants identified a number of key strategic initiatives, including outreach to financial services firms, demonstrating relevance to consumers, and building a pathway to the financial planning profession through relationships with universities and education providers. Breakout group leaders asked FPSB to assist Members in telling the financial planning story to firms, regulators and consumers, while being flexible in recognizing the unique situations facing Members in their respective territories.

Chief Executives Forum

Following the joint session with the Volunteer Leaders Forum, the Chief Executives Forum met to discuss the importance of research as a tool to reach key stakeholders, including continuing FPSB research efforts with Cerulli and Comparator and investigating opportunities to strengthen data collection for firm outreach messaging. The group also agreed that the chief executive of the FPSB Member hosting the meeting would chair the Forum, with Mark Rantall, CFP, named as Chief Executives Forum Chairperson for the October 2013 meeting in Sydney.

Volunteer Leaders Forum

The Volunteer Leaders Forum chaired by Barry Horner, CFP, followed the joint session with the Chief Executives Forum with a meeting to collaborate on issues, practices and trends in governance for nonprofit organizations and the practice of financial planning around the world. Forum attendees updated each other on their perspectives of professionalizing the financial advice space, working with regulators and their organizations' top priorities.



Volunteer Leaders participate in breakout session.

Materials including meeting presentations, notes and photos are available on the FPSB Member Forum at members.fpsb.org.

FPSB Forums Collaborate on Growing Financial Planning Profession *Cont.*

Asia-Pacific Forum

Following updates from each territory, Forum Chairperson Margie Djakasuma of Indonesia led discussion of topics that included FPSB's firm outreach strategy and the opportunity for the region to collaborate on outreach. Additionally, the group discussed 2013 group projects including the need for globally consistent exam content and the importance of ensuring strong re-certification rates for CFP professionals in APAC territories.

European Forum

The FPSB European Forum continued the discussion from the FPSB Strategic Topics session, focusing on how FPSB can impact the professional advice space in Europe. The group also discussed expanding consumer awareness of the benefits of working with CFP professionals in the region. Paul Grimes, CFP, CEO of FPSB Ireland, was elected as chairperson of the European Forum through 2015.

Growth Markets Forum

Following territory updates focused on professionalism, aligning to a global standard, and

the importance of Continuing Professional Development, the Growth Markets Forum discussed the value of gaining professional body recognition led by a presentation by Godfrey Nti, CEO of the Financial Planning Institute of Southern Africa. Forum Chairperson Sanki Morata, CFP, of South Africa, had attendees work in small groups to identify opportunities for 2013 projects. The suggestions will be refined by FPSB staff and evaluated by Forum members for selection of project work in Q2.

Large Group Forum

Members from Australia, Canada, China, Japan and the U.S., representing the largest populations of CFP professionals, met to discuss how their organizations can best work together with FPSB to achieve individual and FPSB's collective goals. The group discussed FPSB's role as a global, professional standards setting organization and how it could add value to its relationships with established Members through greater engagement and having mature organizations mentor newer FPSB Members. ■



APAC Forum: Steve Chiu, CFP, and Dennis Lau collaborate



European Forum: Paul Grimes, CFP



Growth Markets Forum



Large Group Forum: Nancy Kistner, CFP, and Lisa Pflieger, CFP



2014 - 2016 FPSB Meetings

2014

31 March – 4 April Istanbul
13 – 17 October Shanghai

2015

20 – 24 April Paris
5 – 9 October Vancouver

2016

4 – 8 April Tokyo
10 – 14 October South Africa

Helmich, Johnston Extend Terms on FPSB Board of Directors

The FPSB Board of Directors announced in Hong Kong that Steve Helmich, chairperson of the FPSB Board of Directors, will continue in his role through April 2015. In addition, Ian Johnston will extend his term an additional two years through April 2016.

One position on the FPSB Board will open in April 2014. The nominating committee will issue a call for nominations in May, emphasizing a need for representation from northeast Asia and national and international board, governance and strategic planning experience. Preferred criteria for the new Board member includes CFP certification and a background in financial services. The nominating committee will make its selection by January 2014. ■



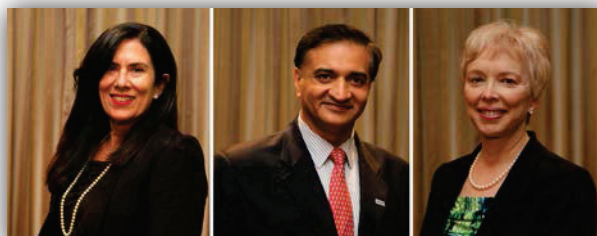
Steve Helmich



Ian Johnston

Emmanouilides, Sachdev and Thomas Named to FPSB Board of Directors

Mari Emmanouilides, CFP, from Brazil, Sanjay Sachdev, CFP, from India, and Joy Thomas from Canada began terms on the FPSB Board of Directors on 1 April 2013. ■



Emmanouilides, Sachdev and Thomas

FPSB Welcomes First-Time Meeting Attendees

FPSB welcomed representatives from FPSB member organizations attending an FPSB meeting for the first time in Hong Kong: Matthew Rowe, CFP, chairperson of FPA in Australia; Diego Bernal, chairman of ACPF in Colombia; Ray Ferrara, CFP, chair-elect of CFP Board in the U.S.; Lisa Pflieger, CFP, vice chair of FPSC in Canada; and Becky Taylor, CFP, president of IFP in the U.K. ■

Research Showcases Professional Dividend

Research conducted by FPSB and Cerulli Associates showcased the professional dividend of CFP certification and the value of financial planning around the world at FPSB's Hong Kong meeting.

Ken Yap, director of Asia Pacific research for Cerulli, based in Singapore, presented an update on the research project to a joint session of the Chief Executives and Volunteer Leaders Forums. The research project has been completed or is underway in nine FPSB Member territories, with more to come.



Results from the most recent survey in the United Kingdom showed that CFP professionals report 80 percent satisfaction with the CFP certification, and the majority report a growth in both income and number of clients after earning CFP certification. Full survey results will be released soon. ■

IFPHK Promotes Investor Education at Corporate Luncheon

On Tuesday, 22 April, the Institute of Financial Planners of Hong Kong (IFPHK) hosted its semi-annual corporate luncheon in conjunction with the FPSB global meeting. The luncheon was centered on investor education, with insight from Miles Larbey, general manager of Hong Kong's Investor Education Centre, Steve Chiu, chairman of the IFPHK Board of Directors, and FPSB CEO Noel Maye.

Mr. Maye emphasized the need for partnership between organizations promoting financial literacy programs and trusted advisers such as CFP professionals. ■

FPSB Member Forum Updated

The FPSB Member Forum (members.fpsb.org) has been updated and Members can visit the site to access FPSB materials including presentations, notes and photos from the Hong Kong meeting. ■