



FINANCIAL PLANNING PRACTICE STANDARDS (2025 VERSION)

Introduction

IFPHK has adopted the Financial Planning Practice Standards (“Practice Standards”) in order to:

- Establish the level of practice expected of a financial planning professional engaged in the delivery of financial planning to a client;
- Establish norms of professional practice and allow for consistent delivery of financial planning by financial planning professionals;
- Clarify the respective roles and responsibilities of financial planning professionals and their clients in financial planning engagements; and
- Enhance the value of the financial planning process.

IFPHK expects that clients of financial planning professionals will benefit from a globally accepted set of Practice Standards for financial planning professionals.

Financial Planning Process

Financial planning is the process of developing strategies to assist clients in managing their financial affairs to meet personal goals. The process of financial planning involves reviewing the relevant aspects of a client’s situation across a breadth of financial planning activities, including interrelationships among often conflicting objectives.

Financial Planning Process is arranged into six elements:

1. Establish and define the relationship with the client
2. Collect the client’s information
3. Analyze and assess the client’s financial status
4. Develop the financial planning recommendations and present them to the client
5. Implement the client’s financial planning recommendations
6. Review the client’s situation

While each of the six elements are distinct, the Financial Planning Process is an integrated process. This means that elements within the Financial Planning Process may be combined and/or revisited based on the ongoing relationship between the financial planning professional and the client.



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Financial Planning Core Practices

The Financial Planning Core Practices inform the scope of practice between financial planning professionals and individual clients, taking into consideration the personal factors of each client that are captured in a client engagement document.

Each element of the Financial Planning Process requires the application of at least one of several related Financial Planning Core Practices to competently complete that element.

The first three Financial Planning Core Practices relate to establishing and defining the relationship with the client. These must apply every time a financial planning professional provides financial planning or components of financial planning to a client. These serve to establish clear and appropriate expectations for the client and the financial planning professional. The remaining Financial Planning Core Practices apply to the extent they are relevant to the financial planning engagement, as defined and agreed upon by the client and financial planning professional within the written scope of the engagement.

Financial Planning Process and Financial Planning Core Practices

Financial Planning Process	Financial Planning Core Practices
1. Establish and define the relationship with the client	<ol style="list-style-type: none">1. Inform the client about financial planning and the financial planning professional's services, competencies and experience2. Determine whether the financial planning professional's competencies, experience or conflicts allow the financial planning professional to work with the client3. Define and reach agreement with the client about the scope of the financial planning engagement and communication approach
2. Collect the client's information	<ol style="list-style-type: none">4. Identify and confirm the client's stated personal goals5. Collect quantitative information and documents relevant to the scope of the financial planning engagement6. Collect and understand qualitative information relevant to the client's values, attitudes, expectations and financial experiences / literacy
3. Analyze and assess the client's financial status	<ol style="list-style-type: none">7. Analyze the client's information to assess the client's current financial situation and identify financial objectives that allow the client to meet stated personal goals8. Determine the financial resources needed to meet the client's financial objectives and stated personal goals



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Financial Planning Process

Financial Planning Core Practices

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| <p>4. Develop the financial planning recommendations and present them to the client</p> | <p>based on an analysis of the client's current financial situation</p> <p>9. Assess the opportunities, constraints and risks presented by the client's financial situation and current course(s) of action</p> <p>10. Identify and evaluate strategies to achieve the client's financial objectives and stated personal goals</p> <p>11. Identify and discuss with the client the feasibility of any financial objective or stated personal goal that appears unrealistic</p> |
| <p>5. Implement the client's financial planning recommendations</p> | <p>12. Develop financial planning recommendations to achieve the client's financial objectives and stated personal goals</p> <p>13. Present financial planning recommendations so the client understands how each strategy addresses the client's financial objectives and stated personal goals</p> <p>14. Engage the client in a discussion of factors that impact the client's ability to reach financial objectives and stated personal goals through recommended course(s) of action</p> <p>15. Modify financial planning recommendations to incorporate feedback from the client</p> <p>16. Inform the client that financial planning recommendations may need to be modified as personal conditions or economic, political or regulatory environments change</p> |
| <p>6. Review the client's situation</p> | <p>17. Reach agreement with the client on prioritization and responsibilities for implementing financial planning recommendations</p> <p>18. Identify and present products or services for implementing the financial planning recommendations</p> <p>19. Reach agreement with the client on the approach and responsibilities for the future review of the client's situation and progress toward financial objectives and stated personal goals</p> <p>20. Reach agreement with the client on updates to recommendations based on changes in the client's situation, financial objectives or stated personal goals, or changes in the economic, political or regulatory environment</p> |



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Financial Planning Practice Standards

The Financial Planning Practice Standards establish the level of professional practice reasonably expected of financial planning professionals during financial planning engagements, regardless of practice type, setting, location or method of compensation.

Each Financial Planning Core Practice is a statement supported by a Financial Planning Practice Standard. An explanation is also provided to help guide interpretation and application based on a standard of reasonableness.

The explanation is not intended to establish a professional standard or obligation beyond what is contained in the Practice Standard itself. The Practice Standards are not intended to prescribe the services to be provided or step-by-step procedures for providing a service.

The Financial Planning Practice Standards may apply to the provision of comprehensive financial planning or limited financial planning services.

Below sets out the Financial Planning Practice Standards in relation to the appropriate element of the Financial Planning Process and the relevant Financial Planning Core Practice.

Financial Planning Process element:

1. Establish and define the relationship with the client

Financial Planning Core Practice 1

Inform the client about financial planning and the financial planning professional's services, competencies and experience

Practice Standard 1

The financial planning professional informs the client about the financial planning process, the services the financial planning professional offers, and the financial planning professional's competencies and experience.

Explanation

The financial planning professional helps the client understand the financial planning process and the nature of financial planning engagements and provides information on the financial planning professional's qualifications. This information may include how financial planning can help the client meet stated personal goals; a description of the methodology the financial planning professional uses to provide financial planning services; and information about the financial planning professional's licenses, credentials and expertise.

The financial planning professional makes all necessary disclosures to the client at the beginning of the client-planner relationship and throughout the financial planning process, as appropriate or required by rules, regulations or law.



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The financial planning professional provides preliminary information on services, competencies and experience. The professional may provide additional disclosures after learning more about the client's situation.

When establishing the relationship with the client, the financial planning professional seeks to develop an understanding and trust with the client that supports two-way communication and information sharing between the two.

Financial Planning Core Practice 2

Determine whether the financial planning professional's competencies, experience or conflicts allow the financial planning professional to work with the client

Practice Standard 2

The financial planning professional and the client mutually determine whether the services offered by the financial planning professional, together with the professional's competencies and experience, support the financial planning professional providing the services requested or likely to be required by the client. The financial planning professional determines if there are any conflict(s) of interest and discloses them to the client.

Explanation

The financial planning professional engages with the client to identify the client's level of experience with financial planning.

The financial planning professional provides information to the client to allow the client to determine if the professional can provide the services requested or likely to be required by the client. This includes information about technical competence, experience and client relationship style, and is an opportunity for both parties to consider whether to establish a professional relationship.

The financial planning professional considers whether the financial planning professional's skills, knowledge, abilities and experience are sufficient based on the services requested or likely to be requested by the client.

The client and financial planning professional mutually consider if the financial planning professional, and/or the professional's associates supporting the client relationship, have the appropriate skills, knowledge, abilities and experience to meet the client's expectations, based on the information communicated to the financial planning professional by the client.

The financial planning professional considers if there is any conflict(s) of interest, such as any circumstance, relationship or fact that could place the interest(s) of the financial planning professional in conflict with the client's interest(s) or the interest(s) of the client in conflict with those of another client, and informs the client of any such conflict(s). Based on this disclosure, either the client or the financial planning professional may determine not to move forward with the engagement.



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Financial Planning Core Practice 3

Define and reach agreement with the client about the scope of the financial planning engagement and communication approach

Practice Standard 3

The financial planning professional and the client mutually agree on the services to be provided during the financial planning engagement. The financial planning professional sets out in writing the agreed scope of the financial planning engagement before providing any services to the client, including details about: the responsibilities of each party (including third parties); the terms of the financial planning engagement; and compensation and conflict(s) of interest of the financial planning professional. The written scope of the financial planning engagement is signed by both parties, or accepted in writing by the client, and includes a process for either party to terminate the financial planning engagement.

Explanation

By mutually defining the scope of the financial planning engagement, the client and the financial planning professional have a clear understanding of the engagement and establish realistic expectations of each other during the professional relationship. In the written scope of engagement, the financial planning professional and the client agree on whether the financial planning engagement covers one or several areas relating to the services requested or likely to be required by the client.

In the written scope of engagement, the financial planning professional and client agree on the frequency of contact, the client's communication preferences, coaching or other behavioral techniques the financial planning professional will use, and any other aspects of the scope of the financial planning engagement the client or financial planning professional identify as important.

In setting out the terms in a written scope of engagement, the financial planning professional includes the following:

- Services to be included or excluded, such as implementation of financial planning recommendations and review of progress against stated personal goals
- The financial planning professional's compensation during the engagement, including fees to be paid by the client
- Existing or potential conflict(s) of interest, including those involving compensation arrangements with third parties, and agreement to disclose subsequent conflict(s) of interest if or when they occur, including an explanation of how the financial planning professional will manage the conflicts
- Specific parties to the engagement, including details of any legal and agency relationships that exist
- Duration of the engagement
- The client's responsibilities, including the nature and timing of disclosures of information
- The financial planning professional's responsibilities
- Provisions for terminating the financial planning engagement
- Process for the client to make a complaint and the procedure that will be followed for resolving the client's complaint
- What client information will be collected, transmitted and stored, including any limitations on the use of the client's information
- How client information will be protected and kept confidential



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Additional information that may form part of the terms of the written scope of engagement includes:

- The potential use of other professionals during the financial planning engagement
- An explanation of the qualifications, licenses and experience of individuals who will work with the client
- The process to be followed should the professional relationship be terminated by (i) either party, (ii) mutual consent or (iii) in circumstances where the financial planning professional believes it is no longer possible to fulfil their professional responsibilities, together with the process to be followed to transfer the client to another financial planning professional, if appropriate
- Any other information necessary to inform the client about the terms of the financial planning engagement

Financial Planning Process element:

2. Collect the client's information

Financial Planning Core Practice 4

Identify and confirm the client's stated personal goals

Practice Standard 4

The financial planning professional and the client identify and confirm the client's stated personal goals. The financial planning professional confirms with the client that the likely effort needed to support the client in achieving those goals falls within the scope of the financial planning engagement.

Explanation

The financial planning professional confirms understanding of the client's stated personal goals, and explains to the client the interrelationships and any potential conflict(s) among the stated personal goals.

The financial planning professional assists the client in prioritizing short, mid and long-term stated personal goals.

The financial planning professional confirms with the client that the financial planning effort necessary to provide guidance to the client on how best to achieve stated personal goals, or to identify that it is not possible to achieve some or all stated personal goals, is within the scope of the financial planning engagement.

Financial Planning Core Practice 5

Collect quantitative information and documents relevant to the scope of the financial planning engagement

Practice Standard 5

The financial planning professional collects sufficient quantitative information about the client, and documents from the client relevant to the scope of the financial planning engagement, before making and/or implementing any financial planning recommendations.



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Explanation

The financial planning professional collects complete, current and accurate client information and documents relevant to the scope of the financial planning engagement. The financial planning professional may collect client information using technology, such as online questionnaires or online access to the client's financial records or bank accounts. The financial planning professional relies on information provided by the client and from other relevant sources as inputs for analysis.

The financial planning professional confirms with the client the accuracy and completeness of the quantitative information and shares a preliminary understanding of the client's situation based on the information collected.

The financial planning professional communicates to the client the importance of collecting complete, current and accurate information, the lack of which could impact the financial planning professional's ability to understand the client's financial situation or to develop appropriate financial planning recommendations. The financial planning professional communicates to the client how failure to provide appropriate information could result in the financial planning professional revising the scope of, or terminating, the engagement.

Financial Planning Core Practice 6

Collect and understand qualitative information relevant to the client's values, attitudes, expectations and financial experiences / literacy

Practice Standard 6

The financial planning professional collects sufficient qualitative information about the client relevant to the scope of the financial planning engagement to understand how the client's values, attitudes, expectations and financial experiences / literacy might impact financial planning recommendations or the client's financial decision-making.

Explanation

The financial planning professional collects qualitative information about the client's values, attitudes, expectations and financial experiences / literacy to understand how these might affect the client's financial decision-making and outcomes. This requires the financial planning professional to use effective communication skills such as active listening, posing questions and displaying curiosity and a spirit of inquiry with the client throughout the financial planning engagement.

The financial planning professional determines the client's level of experience and comfort with financial matters and overall financial literacy.

The financial planning professional recognizes that the financial planning professional's understanding of aspects of the client that are abstract or not easy to quantify is subjective and interpreted according to the financial planning professional's personal biases. The financial planning professional also recognizes that the financial planning professional's understanding of the client is limited by what the client reveals.

The financial planning professional confirms with the client the financial planning professional's assessment of the client's qualitative information and shares with the client



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the financial planning professional's preliminary understanding of the client's situation based on the quantitative and qualitative information collected.

The financial planning professional communicates to the client the importance of having complete, current and accurate client information to support analysis and recommendations. The financial planning professional explains that if the financial planning professional is unable to collect the information necessary to understand the client's values, attitudes, expectations and financial experiences / literacy, then the financial planning professional may need to revise the scope of, or terminate, the engagement.

Financial Planning Process element:

3. Analyze and assess the client's financial status

Financial Planning Core Practice 7

Analyze the client's information to assess the client's current financial situation and identify financial objectives that allow the client to meet stated personal goals

Practice Standard 7

The financial planning professional analyzes the client's qualitative and quantitative information to gain an understanding of the client's current financial situation and identifies financial objectives that allow the client to meet stated personal goals.

Explanation

The financial planning professional analyzes the client's qualitative and quantitative information and works with the client to resolve factual omissions and inconsistencies, ambiguities and discrepancies in the client's information or stated personal goals, to assess the client's current financial situation.

The financial planning professional develops an informed opinion about the client's current financial situation, identifies the financial objectives that will allow the client to meet stated personal goals, and identifies any issues (e.g., cash flow problems, interest rate arbitrage, etc.) that could impact the client's achievement of stated personal goal(s).

The financial planning professional typically uses calculations drawn from balance sheets, cash flow statements and personal risk profiles to understand the client's financial situation.

Financial Planning Core Practice 8

Determine the financial resources needed to meet the client's financial objectives and stated personal goals based on an analysis of the client's current financial situation

Practice Standard 8

The financial planning professional assesses how the client's current financial situation supports the client's ability to achieve financial objectives and stated personal goals, and identifies additional financial resources needed by the client, if any.



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Explanation

The financial planning professional analyzes the client's information, current financial position and likely future financial resources to identify viable ways that the client can meet each financial objective and stated personal goal. As part of this analysis, the financial planning professional uses client-specified, mutually agreed upon variables and other reasonable assumptions, such as the client's anticipated retirement age, life expectancy, income needs, risk factors, time horizon and special needs, as well as economic assumptions, to establish likely inflation rates, tax rates and investment returns to support financial calculations.

The financial planning professional determines the likelihood of the client reaching a financial objective or stated personal goal based on present behavior, and identifies behavior changes, if any, the client would need to make to achieve a financial objective or stated personal goal.

The financial planning professional may undertake this part of the financial planning process iteratively throughout the client engagement, as the client's preferences, financial objectives or stated personal goals change.

Financial Planning Core Practice 9

Assess the opportunities, constraints and risks presented by the client's financial situation and current course(s) of action

Practice Standard 9

The financial planning professional assesses the opportunities, and identifies constraints and risks presented by the client's financial situation and current course(s) of action, that may impact the client's ability to achieve a financial objective and stated personal goal. This includes assessing the client's ability, willingness or likelihood to respond to unexpected personal and financial events.

Explanation

The financial planning professional assesses the opportunities and identifies constraints and risks presented by the client's financial situation and current course(s) of action to assess whether and how the client will be able to achieve a financial objective or stated personal goal(s). This includes an assessment of economic and personal factors that could influence the client's behavior and the clients' likelihood of achieving a financial objective or stated personal goal in the event circumstances change.

As part of the risk assessment, the financial planning professional may consider matters personal to the client or to the client's family or business / career, as well as economic factors such as inflation, monetary policy or fiscal policy.

The financial planning professional provides the client with information on feasible trade-offs or acceptable alternative approaches to meet a financial objective or stated personal goal. In an ongoing financial planning engagement, the collaboration between the financial planning professional and the client happens iteratively throughout the engagement as the client's life situation, preferences, financial objectives or stated personal goals change.

The financial planning professional may identify other issues that could impact the client's ability to achieve financial objectives or stated personal goals, which the financial planning



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professional discusses with the client. Depending on the nature of the issues identified, it may be appropriate for the financial planning professional to engage the client on whether the client's stated personal goals are achievable or should be amended, which may require the financial planning professional to amend the scope of the financial planning engagement or obtain additional information from the client.

If the client chooses not to collaborate with the financial planning professional to evaluate trade-offs or alternatives, the financial planning professional should consider limiting the scope of, or terminating, the engagement.

Financial Planning Core Practice 10

Identify and evaluate strategies to achieve the client's financial objectives and stated personal goals

Practice Standard 10

The financial planning professional and client consider one or more strategies relevant to the client's current situation that could reasonably meet the client's financial objectives and stated personal goals.

Explanation

The financial planning professional identifies possible strategies for achieving the client's financial objectives and stated personal goals. The financial planning professional provides appropriate information to the client that supports the financial planning professional's understanding of the possible strategies and how they reasonably address the client's financial objectives and stated personal goals.

When evaluating strategies, the financial planning professional discusses with the client the importance, priority and timing of stated personal goals and financial objectives or courses of action, while considering multiple assumptions, conducting research or consulting with other professionals. This process may result in a single strategy, in multiple strategies or no change to the client's current course(s) of action.

More than one strategy may achieve one or more of the client's financial objectives or stated personal goals. Strategies and consequences identified by the financial planning professional for the client may differ from those that could be provided by other financial advisors, illustrating the subjective nature of exercising professional judgment and delivering financial planning to clients.

Financial Planning Core Practice 11

Identify and discuss with the client the feasibility of any financial objective or stated personal goal that appears unrealistic

Practice Standard 11

The financial planning professional identifies any financial objective that is not feasible or any short, mid or long-term stated personal goal(s) that does not appear to be realistic and discusses with the client how the stated personal goal(s) may need to be modified or abandoned.



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Explanation

The financial planning professional identifies for the client any financial objective or stated personal goal(s) that appears to be unrealistic or unachievable, based on the client's current financial situation or courses of action. The financial planning professional helps the client recognize why the financial objectives or stated personal goal(s) are either not feasible or not realistic, either individually or collectively, because the financial objectives or stated personal goals conflict with each other or not achievable based on the client's current situation and courses of action or likely future resources.

The financial planning professional presents options to the client for dealing with financial objectives or stated personal goals that may not be feasible or may be unrealistic, including trade-off considerations.

If the client chooses not to collaborate with the financial planning professional to evaluate trade-offs or alternatives, the financial planning professional should consider limiting the scope of, or terminating, the engagement.

Financial Planning Process element:

4. Develop the financial planning recommendations and present them to the client

Financial Planning Core Practice 12

Develop financial planning recommendations to achieve the client's financial objectives and stated personal goals

Practice Standard 12

The financial planning professional develops financial planning recommendations to reasonably meet the client's financial objectives and stated personal goals, taking into account the client's current situation, course(s) of action and selected strategies.

Explanation

After identifying and evaluating various strategies and the client's current situation and course(s) of action, the financial planning professional develops financial planning recommendations that can reasonably meet the client's financial objectives and stated personal goals. The financial planning recommendations may be a singular action or a combination of actions to be implemented collectively. The financial planning professional may need to modify one or more of the recommendations based on feedback from the client on what is reasonable or feasible given the client's situation or likely behavior. The financial planning professional's recommendation may be that the client continue with a current course(s) of action.

The financial planning professional uses professional judgment to evaluate multiple strategies to develop financial planning recommendations. Given the nature of professional financial advice, the recommendations developed by the financial planning professional may differ from those of other financial advisors, yet still be appropriate to meet the financial objectives and stated personal goals.



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Whether the financial planning professional develops the financial planning recommendations iteratively through dialogue with the client, or the client defers to the financial planning professional's recommendation based on the financial planning professional's technical expertise, it is important that the financial planning professional properly documents this part of the financial planning process.

Financial Planning Core Practice 13

Present financial planning recommendations so the client understands how each strategy addresses the client's financial objectives and stated personal goals

Practice Standard 13

The financial planning professional presents the financial planning recommendations, and supporting rationales, in a way that allows the client to make an informed decision on whether the strategies will support achieving the client's financial objectives and stated personal goals.

Explanation

The financial planning professional assists the client in understanding how the financial recommendations appropriately address the client's financial objectives and stated personal goals.

The financial planning professional avoids presenting opinion as fact. The financial planning professional informs the client that the recommendations may need to be modified as the client's personal conditions or economic, political or regulatory environments change.

When the financial planning professional develops the financial planning recommendations iteratively through dialogue with the client, the financial planning professional ensures the client is engaged, and encourages the client to provide feedback and reactions to the preliminary and final financial planning recommendations.

Financial Planning Core Practice 14

Engage the client in a discussion of factors that impact the client's ability to reach financial objectives and stated personal goals through recommended course(s) of action

Practice Standard 14

The financial planning professional discusses with the client the information, factors and assumptions that have been used to develop the financial planning recommendations and how the information, factors and assumptions could impact the client's ability to reach financial objectives and stated personal goals.

Explanation

When presenting and sharing the financial planning recommendations with the client, the financial planning professional helps the client to understand the client's current situation, the factors and assumptions that were used to develop the recommended strategy(ies), the risks of pursuing (or not pursuing) a recommended strategy(ies), and how implementing (or not implementing) one or more of the recommended strategies could impact the client's ability to meet financial objectives and stated personal goals.

The financial planning professional assists the client in prioritizing or re-prioritizing financial objectives and stated personal goals, and assists the client in choosing among priorities while



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considering the different time horizons attached to one or more financial objectives and stated personal goals.

Financial Planning Core Practice 15

Modify financial planning recommendations to incorporate feedback from the client

Practice Standard 15

The financial planning professional incorporates feedback from the client by mutually agreeing with the client on the type and scale of modifications to the financial planning recommendations, which could include the financial planning professional revising or re-prioritizing the client's financial objectives or stated personal goals, or revising the scope of the financial planning engagement.

Explanation

When presenting recommendations to the client, the financial planning professional assesses the client's willingness to act on the financial planning recommendations.

The financial planning professional may adjust the scope of the financial planning engagement, as originally drafted, based on an agreement reached with the client on how to address changes to the financial planning recommendations, course(s) of action or priorities. The financial planning professional assists the client in revising or re-prioritizing financial objectives or stated personal goals, and updates the financial planning recommendations accordingly. The financial planning professional may need to modify financial modelling and sensitivity analysis based on updates to the original financial planning recommendation(s).

Additionally, if the modified financial planning recommendations introduce a conflict of interest or potential conflict of interest for the financial planning professional, the financial planning professional informs the client of any such conflict(s). At this stage, either the client or the financial planning professional may determine not to move forward with the engagement.

Financial Planning Core Practice 16

Inform the client that financial planning recommendations may need to be modified as personal conditions or economic, political or regulatory environments change

Practice Standard 16

The financial planning professional informs the client that future changes in personal conditions or economic, political, or regulatory environments may affect financial planning recommendations, and gains the client's support to review the client's situation and financial planning recommendations on an ongoing basis, and to modify recommendations as required.

Explanation

The financial planning professional informs the client that the financial planning recommendations are designed to support the client to achieve financial objectives and stated personal goals based on the client's current situation and anticipated future environment, but that changes in personal conditions or economic, political or regulatory environments (e.g., updated regulations or legislation, or changes in family status, career, health, etc.) could alter the client's ability to achieve one or more financial objectives or stated personal goals and require the financial planning professional to revise one or more of the financial planning recommendations.



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Financial Planning Process element:

5. Implement the client's financial planning recommendations

Financial Planning Core Practice 17

Reach agreement with the client on prioritization and responsibilities for implementing financial planning recommendations

Practice Standard 17

The financial planning professional and the client mutually agree on the financial planning recommendations and their prioritization, and on implementation responsibilities that are consistent with the scope of the financial planning engagement, which includes the financial planning professional's ability to implement, or direct the implementation of, the financial planning recommendations.

Explanation

The financial planning professional and the client reach agreement on the financial planning recommendations and the prioritization and respective responsibilities for implementation. The financial planning professional's responsibilities may include identifying activities necessary for implementation, clarifying the respective responsibilities of the financial planning professional and the client, referring the client to and coordinating with other professionals, and sharing client information as authorized.

The financial planning professional confirms the client understands the financial planning recommendations and their implications and the client's responsibilities, if any, in implementing the financial planning recommendations.

The financial planning professional explains to the client which, if any, implementation activities will be referred to one or more other professionals and the qualification(s) of those professional(s).

If a financial planning professional is engaged by the client to provide only implementation services, the financial planning professional should define the limited scope of the financial planning engagement in writing and obtain the client's informed consent about the scope and implementation activities. In particular, the financial planning professional should include in the scope of the financial planning engagement the extent to which the financial planning professional relies on information, analysis or recommendations provided by others, if any.

Financial Planning Core Practice 18

Identify and present products or services for implementing the financial planning recommendations

Practice Standard 18

The financial planning professional identifies and presents appropriate products or services to implement the financial planning recommendations.

Explanation

The financial planning professional recommends products or services that are suitable to the client's situation and reasonably address the client's financial objectives or stated personal goals.



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Drawing on the qualitative and quantitative information gathered from the client during the financial planning process, the financial planning professional uses professional judgment in identifying the products, services, or actions (including client behavior changes) that support implementation of the financial planning recommendations.

The financial planning professional may present products or professional services at the same time as the financial planning professional presents the financial planning recommendations.

Upon the client confirming understanding of, and agreement with, the recommended product(s), service(s), action(s) or strategy(ies), the financial planning professional obtains the client's commitment to support the implementation of the financial planning recommendations.

The financial planning professional also discusses with the client any conflict(s) of interest that arise as a result of a recommended product or service and explains how the conflict(s) could impact the financial planning recommendations.

Financial Planning Process element:

6. Review the client's situation

Financial Planning Core Practice 19

Reach agreement with the client on the approach and responsibilities for the future review of the client's situation and progress toward financial objectives and stated personal goals

Practice Standard 19

The financial planning professional and client mutually define and agree on terms for the future review and evaluation of the client's situation, including financial objectives and stated personal goals, personal risk profile, lifestyle and other relevant factors, and the client's progress toward achieving stated personal goals.

Explanation

The financial planning professional periodically reviews the client's progress toward financial objectives and stated personal goals and adjusts the financial planning recommendations with the client as necessary.

The review process may be initiated by the client or by the financial planning professional for various reasons such as a change in the client's situation, financial objectives or stated personal goals; a client's wish to confirm the appropriateness or feasibility of the current financial planning recommendations; or changes in the economic, political or regulatory environment.

Where the client has real-time, ongoing access to the client's financial planning data, the review cycle may be more frequent, interactive, and continuous rather than structured to take place during periodic financial planning engagements. The financial planning professional and client mutually define the nature and scope of the activities to be conducted during a review, and the role and responsibilities of each party in the review process.

The review process may result in the financial planning professional making modifications to the original scope of the financial planning engagement or initiating a new financial planning engagement with the client.



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Financial Planning Core Practice 20

Reach agreement with the client on updates to recommendations based on changes in the client's situation, financial objectives or stated personal goals, or changes in the economic, political or regulatory environment

Practice Standard 20

The financial planning professional and the client mutually agree on whether, when and how to update the financial planning recommendations, based on changes in the client's situation, financial objectives or stated personal goals, or in the economic, political or regulatory environment.

Explanation

Since the financial planning process is a dynamic one that may require changes to the financial planning recommendations and supporting strategies due to changes in the client's personal conditions or in the economic, political or regulatory environment, the financial planning professional and the client agree on, and understand, their respective roles in reviewing the client's situation and progress toward achieving financial objectives or stated personal goals on an ongoing basis.

The financial planning professional may set the review on a calendar schedule or conduct reviews as part of ongoing interactions during the financial planning engagement. During the review process, the financial planning professional confirms the client's commitment to the existing financial planning recommendations or adjusts the financial planning recommendations as needed to address changes in the client's situation, financial objectives or stated personal goals, or the environment.

The review process includes the financial planning professional and the client:

- Confirming that the financial planning recommendations agreed to by the client have been implemented
- Assessing progress toward achievement of the client's financial objectives or stated personal goals
- Re-evaluating initial or subsequent assumptions made by the financial planning professional for continued reasonableness
- Determining whether changes in the client's situation or financial objectives or stated personal goals or in the environment require adjustments to the financial planning recommendations
- Mutually agreeing on any required changes to the financial planning recommendations

As the client's situation, financial objectives or stated personal goals change, the financial planning professional takes the client back through the financial planning process to re-confirm or update assumptions and financial planning recommendations.



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