	Learning Outcome		Assessment Criteria		Indicative Content
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1 **12** **Questions**	**The client's needs.**	**1.1**	Explain the financial planning requirements and constraints at each of the lifestages and how these may vary with individual circumstances and available resources.	**1.1.1**	Young single.
				1.1.2	Young partnered.
				1.1.3	Starting a family.
				1.1.4	Family with older children.
				1.1.5	Post family, pre-retirement.
				1.1.6	Retirement.
		1.2	Apply financial planning criteria to potential needs arising in future lifestages including those of an ageing population wishing to maintain living standards.	**1.2.1**	The impact of needs changing in the future.
				1.2.2	Consider the requirements of retirement.
		1.3	Explain how a client's needs at each lifestage are determined.	**1.3.1**	Age.
				1.3.2	Marital status.
				1.3.3	Employment status: employed, self-employed, unemployed.
				1.3.4	State of health.
				1.3.5	Impact of dependants.
				1.3.6	Availability of resources - income and expenditure, assets and liabilities.
				1.3.7	Ethical preferences.
		1.4	Describe and explain when the seven typical lifestages are inappropriate to a client's circumstances, including clients of comparable age and means or have comparable family responsibilities.	**1.4.1**	Unmarried persons.
				1.4.2	Widowed persons.
				1.4.3	Separated and divorced persons.
				1.4.4	Childless persons.
		1.5	Describe the main steps in identifying a client's financial needs.	**1.5.1**	Real needs and perceived needs.
				1.5.2	Current and future needs.
				1.5.3	Quantifying needs.
				1.5.4	Prioritising needs.
		1.6	Apply the principle of shortfall calculations as part of the process of quantifying a client's future needs.	**1.6.1**	Identifying shortfalls.
				1.6.2	Performing shortfall calculations.

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		1.7	Apply financial planning criteria to a client's circumstances.	1.7.1	Identifying needs.
				1.7.2	Quantifying needs.
				1.7.3	Prioritising needs.
		1.8	Explain the role of the financial adviser in the financial planning process.	1.8.1	The role of the financial adviser.
2 14 Questions	**The fact-finding process.**	2.1	Describe the main elements of a fact-finding process.	2.1.1	Information gathering.
				2.1.2	Necessary information.
				2.1.3	Using or not using a proforma.
		2.2	Describe and explain the variety of ways a fact-find can be carried out.	2.2.1	Face to face.
				2.2.2	Remotely.
				2.2.3	Assessing strengths and weaknesses of different methods.
		2.3	Apply the principles of conducting a fact-find.	2.3.1	Appropriate questions.
				2.3.2	How to ask questions to aid understanding.
				2.3.3	The need for additional information.
		2.4	Describe the main client and family details to be collected in a fact-find.	2.4.1	Date of birth.
				2.4.2	Place of birth.
				2.4.3	State of health.
				2.4.4	Present and previous employment including salary and benefits.
				2.4.5	Details of dependants.
				2.4.6	Other / miscellaneous information.
				2.4.7	The need for accurate recording of details.
		2.5	Describe the main categories of financial details to be collected in a fact-find.	2.5.1	Assets.
				2.5.2	Liabilities.
				2.5.3	Savings and expenditure.
				2.5.4	Life assurance.
				2.5.5	Health insurance(s).
				2.5.6	Retirement provision.
		2.6	Describe the other planning objective categories contained in a fact-find.	2.6.1	Change in circumstances.
				2.6.2	Children's education.
				2.6.3	Career and retirement aspirations.

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				2.6.4	Career ambitions.
		2.7	Describe how a client's current and future financial planning needs are affected by their personal circumstances and aspirations.	**2.7.1**	Marital and family status.
				2.7.2	Employment status.
				2.7.3	Regular income and accumulated capital.
				2.7.4	Financial commitments.
				2.7.5	Attitude to risk.
				2.7.6	Ethical preference.
				2.7.7	Vulnerability.
				2.7.8	Housing needs and aspirations.
				2.7.9	Family commitments.
				2.7.10	Career plans.
				2.7.11	Retirement plans.
		2.8	Describe and explain the main areas of financial planning.	**2.8.1**	Life assurance planning.
				2.8.2	Health protection planning (including disability).
				2.8.3	Savings and investment planning.
				2.8.4	Retirement planning.
				2.8.5	Estate planning.
				2.8.6	Long-term and short-term objectives.

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3 14 Questions	**Good practice.**	**3.1**	Understand the regulatory framework in the Hong Kong market.	**3.1.1**	Financial market overview.
				3.1.2	Regulatory authority and their roles and responsibilities.
				3.1.3	Licencing for financial advice.
		3.2	Explain the importance of a client understanding the implications of a financial adviser's recommendations.	**3.2.1**	Checking client understanding.
				3.2.2	Risks.
				3.2.3	Ethical considerations.
		3.3	Describe the importance of delivering positive customer outcomes, including for vulnerable customers.	**3.3.1**	Clarity of explanation.
				3.3.2	Checking understanding.
				3.3.3	Appropriate recommendation.
		3.4	Describe the difference between different types of financial service and advice.	**3.4.1**	Independent advice.
				3.4.2	Restricted advice.
				3.4.3	Execution-only.
		3.5	Explain why it is essential for the status of the financial adviser and the remuneration method to be disclosed to the prospective client at the outset of the sales process.	**3.5.1**	Status disclosure.
				3.5.2	Commissions and fees.
		3.6	Apply structured recommendations appropriate to the client.	**3.6.1**	Recommendations for new products.
				3.6.2	Recommendations regarding whether to retain or cancel current products.
		3.7	Explain the supervisory methods that can be used to monitor the suitability of advice.	**3.7.1**	Role play.
				3.7.2	Persistency.
				3.7.3	Complaints.
				3.7.4	Continuing Professional Development.
		3.8	Describe the steps to be taken when the client instructs the adviser to effect a transaction which the adviser believes to be unsuitable.	**3.8.1**	Actions to take.
		3.9	Describe the steps a restricted adviser must take when a product that would properly meet the needs of the client is not available to the adviser.	**3.9.1**	Actions to take.
		3.10	Explain the duty of the adviser to ensure that all reasonable steps have been taken to obtain the best terms available in the market.	**3.10.1**	Obtaining the best terms for the client.
				3.10.2	Best execution.
		3.11	Describe how to conduct execution-only transactions.	**3.11.1**	No advice given.

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				3.11.2	Implications.
		3.12	Explain the need for client identification documents.	**3.12.1**	Money laundering (in outline).
				3.12.2	Types client identification documents.
				3.12.3	Source of funds.
		3.13	Explain when it is appropriate to switch a financial product.	**3.13.1**	Ethical considerations.
				3.13.2	Financial considerations.
		3.14	Describe the implications of cancelling a financial product.	**3.14.1**	Cancellation notice.
				3.14.2	Loss on cancellation.
				3.14.3	Reasons for cancellation.
		3.15	Explain the need for an effective complaints procedure.	**3.15.1**	Need for complaints procedure.
				3.15.2	Features of complaints procedures.
		3.16	Describe the main features of compensation arrangements.	**3.16.1**	Features of compensation arrangements.
		3.17	Explain the importance of regular reviews of the client's personal and financial arrangements.	**3.17.1**	Content, frequency and importance of reviews.
				3.17.2	Changes in client circumstances.
4 11 Questions	**Protection products.**	**4.1**	Describe the circumstances for which there is a need for protection advice.	**4.1.1**	Disability and illness.
				4.1.2	Death.
		4.2	Describe the main personal and financial details on which a client's protection requirements depend.	**4.2.1**	Age.
				4.2.2	Dependants.
				4.2.3	Income and expenditure.
				4.2.4	Assets and liabilities.
		4.3	Describe the policy features of protection products which affect their suitability for a client.	**4.3.1**	Premium level.
				4.3.2	Charges.
				4.3.3	Commission structure.
				4.3.4	Policy options.
				4.3.5	Policy guarantees.
				4.3.6	Flexibility.
				4.3.7	Policy benefits and limitations.
				4.3.8	Past performance.
				4.3.9	Surrender values.

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		4.4	Explain how to prioritise and evaluate the significance of the features of protection products in a given set of client circumstances.	**4.4.1**	Premium level.
				4.4.2	Charges.
				4.4.3	Commission structure.
				4.4.4	Policy options.
				4.4.5	Policy guarantees.
				4.4.6	Flexibility.
				4.4.7	Policy benefits and limitations.
				4.4.8	Past performance.
				4.4.9	Surrender values.
		4.5	Explain how the tax treatment of protection products affects their suitability for a client.	**4.5.1**	Taxation treatment.

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		4.6	Describe the main policy features of protection products.	**4.6.1**	Term assurances.
				4.6.2	Whole of life assurances.
				4.6.3	Income protection insurance.
				4.6.4	Critical illness insurance.
				4.6.5	Private medical insurance.
				4.6.6	Long-term care insurance.
				4.6.7	Sickness, accident and unemployment insurances.
		4.7	Explain which protection products satisfy the client's needs in particular circumstances.	**4.7.1**	Term assurances.
				4.7.2	Whole of life assurances.
				4.7.3	Income protection insurance.
				4.7.4	Critical illness insurance.
				4.7.5	Private medical insurance.
				4.7.6	Long-term care insurance.
				4.7.7	Sickness, accident and unemployment insurances.
5 **14 Questions**	**Savings and investment products.**	**5.1**	Describe the circumstances in which there is a need for savings and investment advice.	**5.1.1**	Identifying circumstances, including school fees planning, mortgage repayment.
		5.2	Describe the main personal and financial factors affecting choice of savings and investment products.	**5.2.1**	Taxation.
				5.2.2	Age, time horizon.
				5.2.3	Income and expenditure.
				5.2.4	Assets and liabilities.
		5.3	Describe the suitability factors in the choice of savings and investment products.	**5.3.1**	Income and capital growth prospects.
				5.3.2	Impact of guarantees.
				5.3.3	Accessibility / penalties / liquidity.
				5.3.4	Contribution limits.
				5.3.5	Impact of risk.
				5.3.6	Charges.
				5.3.7	Commissions and fees.
				5.3.8	Past performance.
				5.3.9	Flexibility.
				5.3.10	Buying and selling mechanisms.

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		5.4	Explain how to prioritise and evaluate the significance of the features of savings and investment products to a set of client circumstances.	5.4.1	Income and capital growth prospects.
				5.4.2	Impact of guarantees.
				5.4.3	Accessibility / penalties / liquidity.
				5.4.4	Contribution limits.
				5.4.5	Impact of risk.
				5.4.6	Charges.
				5.4.7	Commissions and fees.
				5.4.8	Past performance.
				5.4.9	Flexibility.
		5.5	Explain how the tax treatment of savings and investment products affects their suitability for a client.	5.5.1	Taxation treatment.
				5.5.2	Impact of taxation on the client.
		5.6	Describe the main features of savings and investment products.	5.6.1	Deposits.
				5.6.2	Fixed-interest investments, including government and corporate bonds.
				5.6.3	Shares.
				5.6.4	Endowments.
				5.6.5	Annuities.
				5.6.6	Investment trusts.
				5.6.7	Unit trusts and open-ended investment companies (OEICs).
				5.6.8	Investment bonds.
				5.6.9	Structured products.
				5.6.10	Property.
		5.7	Explain which savings and investment products satisfy a client’s needs in particular circumstances.	5.7.1	Deposits.
				5.7.2	Fixed-interest investments, including government and corporate bonds.
				5.7.3	Shares.
				5.7.4	Endowments.
				5.7.5	Annuities.
				5.7.6	Investment trusts.

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				5.7.7	Unit trusts and OEICs.
				5.7.8	Investment bonds.
				5.7.9	Structured products.
				5.7.10	Property.
		5.8	Explain the relationship between the client's attitude to risk and the real level of return.	5.8.1	Risk and reward.
		5.9	Explain how collective investments spread risk.	5.9.1	Spread of risk.
		5.10	Explain how economic factors affect savings and investment products.	5.10.1	Inflation.
				5.10.2	Deflation.
				5.10.3	Interest rates.
				5.10.4	Fiscal policy.
				5.10.5	Other factors.
6 **10 Questions**	**Retirement products.**	6.1	Describe the circumstances in which, and when, there is a need for retirement planning.	6.1.1	Need for retirement planning.
		6.2	Describe how to evaluate a client's retirement planning requirements.	6.2.1	Consider a client's retirement planning needs.
		6.3	Describe the main personal and financial details on which a client's retirement planning requirements depend.	6.3.1	Age.
				6.3.2	Dependants.
				6.3.3	Income and expenditure.
				6.3.4	Other assets and liabilities.
				6.3.5	Existing arrangement.
		6.4	Describe the features of retirement products in the Hong Kong market.	6.4.1	Long-term savings products.
				6.4.2	Mandatory Provident Fund (MPF).
				6.4.3	Occupational Retirement Schemes (ORSO schemes).
				6.4.4	Public annuity policy.
				6.4.5	Deferred annuity policy including Qualified Deferred Annuity Policy (QDAP).

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		6.5	Explain how to prioritise and evaluate retirement products in the Hong Kong market.	6.5.1	Long-term savings products.
				6.5.2	Mandatory Provident Fund (MPF).
				6.5.3	Occupational Retirement Schemes (ORSO schemes).
				6.5.4	Public annuity policy.
				6.5.5	Deferred annuity policy including Qualified Deferred Annuity Policy (QDAP).
		6.6	Understand how to recommend suitable retirement products to meet the client's needs.	6.6.1	Eligibility.
				6.6.2	Contributions levels and associated limits.
				6.6.3	Investment options.
				6.6.4	Benefits.
				6.6.5	Charges.
				6.6.6	Commissions and fees.
				6.6.7	Decumulation including annuities.
				6.6.8	Transfer value.
				6.6.9	Flexibility.
				6.6.10	Guarantees.
		6.7	Explain the taxation of retirement products.	6.7.1	General overview.
				6.7.2	Tax-emption of products.
		6.8	Explain how economic factors including interest rates affect retirement products.	6.8.1	Inflation.
				6.8.2	Deflation.
				6.8.3	Interest rates.
				6.8.4	Other economic factors.
		6.9	Explain the consequences of inadequate retirement planning.	6.9.1	Impact of inadequate provision.