

Ref: FPSBI / Membership / 02

March 21, 2017

Guidelines for Submitting of Candidate Financial Plan

FPSB India proposes to implement submission of Financial Plan (“**Plan**”) by the candidates after passing the CFP^{CM} Certification Exam (Exam 5: Advanced Financial Planning) in order to be considered eligible to apply for CFP^{CM} Certification. This is consistent with a global professional requirement and criteria to certify prospective Financial Planners. The development of Financial Plan demonstrates the mastery of the fundamental Financial Planning practices, the ability to integrate across the Financial Planning Components, and the financial planner professional skills described in FPSB India's Financial Planner Competency Profile.

The competency to be thus tested by way of a submitted **Plan** would be on the 6-Step Financial Planning process and would additionally include skills of client engagement, making additional assumptions as per strategies evolved to achieve the client financial goals, data interpolation and stress-testing strategies, developing recommendations and presenting the **Plan**.

In order to actualize the process of candidates submitting a **Plan** as an essential step towards their eventual accreditation as CFP^{CM} Certificants, FPSB India has prepared and uploaded on website a Financial Plan Template (“**template**”), which can be used as guidance to develop the **Plan**.

1. Process for Submission and Assessment of Financial Plan

- a) The candidate, after passing the CFP^{CM} Certification Exam, shall receive within one month a case body which needs to be developed in to a Financial Plan. The case body will be sent to the registered email of the candidate.
- b) The **Plan** on the specific case shall be developed by the candidate in any of the following manners:
 - i) Using the **template** available on the website of FPSB India and employing spreadsheet format to develop the **Plan** in the soft form
 - ii) Using a software to develop the **Plan** and submit hard copies to support recommendations
 - iii) Using financial calculator to develop written plan and submit hard copies thereof
 - iv) Any other format, e.g. Powerpoint presentation, etc. to be approved by FPSB India
- c) The **Plan** shall be submitted by the candidate to FPSB India for assessment within a period of three months from the date of email by FPSB India.
- d) FPSB India may seek further inputs from the candidate within 15 days of the submission of **Plan** to follow up on the written assessment or alternately may ask the candidate to orally

substantiate the **Plan** submitted. The same shall be required to be complied by the candidate in the subsequent 15-day period, or as directed by FPSB India.

- e) The result of the **Plan** to be submitted by a candidate would be communicated within one month of such submission, or written/oral assessment as communicated and got duly verified.

2. Guidelines for Developing the Financial Plan

- a) The domain-wise guidelines for the construction of **Plan** and the method of scoring are given in the **template**.
- b) The candidate shall use general assumptions about asset returns, inflation, etc. as provided in the “Key Assumption” sheet of the **template**.
- c) The candidate may use his/her own reasonable projections for other goals, cash flow, net worth statements, etc. that would better reflect the client’s current situation.
- d) The candidate may use The Six Step Process of Personal Financial Planning recommended in the Financial Planner Practice Standards (Link given below) in order to create a comprehensive **Plan**.
Link: <http://www.fpsbindia.org/Upload/Results/FPSBPracticeGuidelines.pdf>

The same with reference to the **template** is explained below:

- i) Step 1: Establish and define the relationship with the client. (Refer Sheets : content, Executive Summary, Plan Presentation)
 - ii) Step 2: Collect the client’s information. (Refer Sheets : Data Collection : Personal Data, Net worth, Cash-Flow, Investment, Goals)
 - iii) Step 3: Analyze and assess the client’s financial status. (Refer Sheets : Assumptions, Additional Assumptions, Issues & problems, Analysis : Insurance, Retirement, Investments, Tax Planning, Estate Planning)
 - iv) Step 4: Develop the financial planning recommendations and present them to the client. (Refer Sheet : Plan Presentation, Synthesis)
 - v) Step 5: Implement the financial planning recommendations. (Refer Sheet : Plan Presentation, Synthesis)
 - vi) Step 6 :Review the client’s situation.(Refer Sheet : Plan Review)
- e) The following shall be additionally required by the candidate to appropriately reflect in the **Plan** to be developed:
 - i) Comply with relevant financial services laws and regulations
 - ii) Keep up to date with changes in the economic, political and regulatory environments
 - iii) Conduct appropriate research when performing analysis and developing strategies; and
 - iv) Demonstrate a reasonable basis for advice

- f) Material from external sources should be appropriately acknowledged and referenced in the **Plan**.
- g) In case the candidate uses any Financial Planning software to develop the **Plan**, the software should be appropriately referenced by way of footnote to the page on which the calculation appears. The software-generated text modules should be used sparingly and should be adapted to match the client’s situation.
- h) The candidate should refrain from including in the **Plan** any research profiles, investment memoranda, insurance quotations, product brochures, prospectuses or any product-advertising material.
- i) Any specific appendices to be attached by the candidate should be appropriately referenced in the “List of Documents” on the Content page.

3. Evaluation and Scoring of Financial Plans

The **Plan** submitted by the candidate shall be qualitatively evaluated and scored based on the following matrix:

Sl. No.	Section	Maximum Marks	Weightage for Scoring Plan
1	Executive summary	20	7%
2	Additional Assumptions and Data Interpolation	10	26%
	Data collection - Personal	10	
	Data collection - Net Worth	10	
	Data collection - Cash Flow	10	
	Data collection - Investments	10	
	Data collection – Goals	20	
	Issues and problems	10	
3	Analysis and Strategies - Insurance	20	37%
	Analysis and Strategies - Retirement	20	
	Analysis and Strategies - Investment	30	
	Analysis and Strategies - Tax Planning	20	
	Analysis and Strategies - Estate Planning	20	
4	Synthesis	30	23%
	Plan Presentation	40	
5	Plan Review	20	7%
	Total	300	100%

A candidate will be required to score not less than 40% marks in order for FPSB India to initiate further written or oral assessment exercise. The written/oral defense of the submitted **Plan** by a candidate shall overwrite the earlier submitted **Plan**, and thus would determine the actual successful/unsuccessful submission.

Once the **Plan** is finally assessed, the candidate will be intimated of his/her status with regard to further process, viz. applying for CFP^{CM} certification in case the **Plan** is assessed as successful. Otherwise, the candidate will be intimated to submit another **Plan** on a fresh case body to be provided by FPSB India.

4. Trails Created for Candidate Support for Unsuccessful Plan Submission

- a) The individual section score or the overall score shall be maintained by FPSB India for internal records and for evaluating the consistency amongst various case bodies and like situations. However, on the request of unsuccessful candidates in **Plan** submission, only those sections where the performance is much below par can be revealed with suitable guidance.
- b) The unsuccessful candidates after the written/oral defense may be required to again present the Plan after refurbishing weak areas which need to be got assessed within one month. A candidate may however choose to submit a fresh **Plan** instead.

All candidates who pass the CFP^{CM} Certification Examination (Exam 5: Advanced Financial Planning) on or after **April 1, 2018** would be accredited for CFP^{CM} Certification after they are assessed on Candidate Financial Plan criterion.

FPSB India hereby seeks the comments of all stakeholders who can submit their inputs to FPSB India by way of hard copy or email to info@fpsbindia.org under the subject "Financial Plan". The feedback/comments/inputs can be submitted by June 30, 2017. The final guidelines and infrastructure including training, assessors, etc. would be issued by September 30, 2017.