



## CFP® Certification Education Program

### Syllabus and Course Plan

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<b>SUBJECT</b>	Course 1: Investment Planning and Asset Management	
<b>MODE OF STUDY</b>	Lectures	40 hours
<b>PRE-REQUISITE</b>	Valid IFPHK candidacy	
<b>ASSESSMENT</b>	Attendance	At least 70%
<b>CALCULATOR</b>	Only models on the list of Approved Calculators are admissible to the CFP Certification Examinations. Please refer to the Examination Handbook for details.	

#### OBJECTIVES

This course aims to provide students with in-depth understanding of different types of securities and investment alternatives and to initiate analytical and valuation processes that support portfolio management and asset allocation decision.

As students progress in the CFP® Certification Education Program and acquire more advanced and specific knowledge in other disciplines such as Insurance Planning, Risk Management, Tax Planning and Estate Planning, they will then be able to apply all these knowledge to construct comprehensive financial plans in the capstone course, Financial Planning Practice.

After successfully completing this program, students should be able to:

- Collect the quantitative information required to develop strategies for investment planning.
- Collect the qualitative information required to develop strategies for investment planning.
- Consider potential opportunities and constraints to develop strategies for investment planning.
- Assess information to develop strategies for investment planning.
- Synthesize information to develop and evaluate strategies for investment planning.

In terms of financial planner professional skills, students should be able to:

- Identify the client's objectives, needs and values that have financial implications for investment planning.
- Identify the information required for the financial plan addressing needs for investment planning.
- Identify material changes in the client's personal and financial situation that have financial implications for investment planning.
- Prepare information to enable analysis for investment planning.
- Consider opportunities and constraints to develop strategies for investment planning.
- Assess collected information to develop strategies for investment planning.
- Develop strategies for investment planning.
- Evaluate advantages and disadvantages of each investment planning strategy

Students should be able to apply mathematical methods or formulas as appropriate.



## ALLOCATION OF TOPICS

Topics	Teaching Hours
<b>1 Portfolio Concepts</b>	<b>13</b>
Risk and Return	2
Modern portfolio theory	5
Asset Pricing Models	6
<b>2 Portfolio Investment Management</b>	<b>16</b>
Efficient Markets Hypothesis	3
Portfolio Management	2
Investment Strategies: formula investing	3
Managing Fixed Income Portfolios	2
Performance Evaluation	5
Pooled investments	1
<b>3 Derivatives and Alternative Investments</b>	<b>7</b>
Futures	2
Option Valuation	2
Other investments	3
<b>4 Investment planning</b>	<b>4</b>
Investment planning recommendation	4



## **ESSENTIAL READINGS**

Study Guide for CFP® Certification

Bodie, Kane, Marcus & Stephen, Essentials of Investments, IFPHK/McGraw Hill

## **RECOMMENDED/SUPPLEMENTARY READINGS**

Damodaran, Investment Valuation: Tools and Techniques for Determining the Value of Any Asset, John Wiley & Sons, latest edition, Ch. 26

Baker, International Finance: Management, Markets, and Institutions, Prentice Hall, latest edition, Ch. 3

McGuinness, A Guide to the Equity Market of Hong Kong, Oxford University Press, latest edition.

Eiteman, Stonehill, and Moffett, Multinational Business Finance, Addison Wesley, latest edition, Ch. 4, 6, & 7

Website of Hong Kong Exchanges and Clearing Limited: [www.hkex.com.hk](http://www.hkex.com.hk)

Website of the Securities and Futures Commission: [www.sfc.hk](http://www.sfc.hk)

Website of the Hong Kong Monetary Authority: [www.info.gov.hk/hkma/](http://www.info.gov.hk/hkma/)

Website of U.S. Securities and Exchange Commission: [www.sec.gov](http://www.sec.gov)

Website of Commodity Futures Trading Commission: [www.cftc.gov](http://www.cftc.gov)

Website of the Federal Reserve: [www.federalreserve.gov](http://www.federalreserve.gov)

Securities and Futures Ordinance

## **IMPORTANT NOTES**

The IFPHK textbooks are designed as useful and reliable study aids for students studying for the CFP Certification Education Program. Candidates are also encouraged to study other supplementary materials listed in the CFP Certification Examination Handbook.



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<b>SUBJECT</b>	Course 2: Insurance Planning and Risk Management	
<b>MODE OF STUDY</b>	Lectures	40 hours
<b>PRE-REQUISITE</b>	Valid IFPHK candidacy	
<b>ASSESSMENT</b>	Attendance	At least 70%
<b>CALCULATOR</b>	Only models on the list of Approved Calculators are admissible to the CFP Certification Examinations. Please refer to the Examination Handbook for details.	

#### OBJECTIVES

This course aims to provide students with knowledge of insurance both in principle and in practice. It is designed to help students to understand the theory, the major policies, and practical application of insurance and to evaluate the various kinds of insurance plans in the context of risk management.

As students progress in the CFP® Certification Education Program and acquire more advanced and specific knowledge in other disciplines such as Investment Planning, Asset Management, Tax Planning and Estate Planning, they will then be able to apply all these knowledge to construct comprehensive financial plans in the capstone course, Financial Planning Practice.

After successfully completing this program, students should be able to:

- Collect the quantitative information required to develop strategies for insurance planning.
- Collect the qualitative information required to develop strategies for insurance planning.
- Consider potential opportunities and constraints to develop strategies for insurance planning.
- Assess information to develop strategies for insurance planning.
- Synthesize information to develop and evaluate strategies for insurance planning.

In terms of financial planner professional skills, students should be able to:

- Identify the client's objectives, needs and values that have financial implications for insurance planning.
- Identify the information required for the financial plan addressing needs for insurance planning.
- Identify material changes in the client's personal and financial situation that have financial implications for insurance planning.
- Prepare information to enable analysis for insurance planning.
- Consider opportunities and constraints to develop strategies for insurance planning.
- Assess collected information to develop strategies for insurance planning.
- Develop strategies for insurance planning.
- Evaluate advantages and disadvantages of each insurance planning strategy

Students should be able to apply mathematical methods or formulas as appropriate.



## ALLOCATION OF TOPICS

Topics	Teaching Hours
<b>1 Life Insurance Policy analysis</b>	<b>12</b>
Analysis of Investment-linked policy	6
Analysis of Life insurance policy	6
<b>2 Life Insurance Planning</b>	<b>8</b>
Choice of life risk protection for Individuals	8
<b>3 Property and Liability Insurance Planning</b>	<b>4</b>
Exposure to property and liability risks	4
<b>4 Business use of insurance</b>	<b>8</b>
Provision of employee benefits	4
Business insurance	4
<b>5 Comprehensive Insurance Planning</b>	<b>8</b>
Public Insurance (Social insurance)	2
Risk management recommendation	6



## **ESSENTIAL READINGS**

Study Guide for CFP® Certification  
Fundamentals of Risk and Insurance, IFPHK/John Wiley

## **RECOMMENDED/SUPPLEMENTARY READINGS**

Rejda, George E., Principles of Risk and Insurance, latest edition, Addison-Wesley  
IIQE - Study Notes for the General Insurance Examination, IA  
IIQE - Study Notes for the Principles and Practice of Insurance Examination, IA  
IIQE - Study Notes for the Long Term Insurance Examination, IA  
IIQE - Study Notes for the Investment-link Long Term Insurance Examination, IA  
IIQE - Study Notes for the Travel Insurance Agents Examination, IA  
OCI Annual Report 2009 – Other measures for Customer protection  
Insurance Companies Ordinance (CAP 41) (latest ordinance)  
Insurance Authority: <https://www.ia.org.hk/>

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<b>SUBJECT</b>	Course 3: Tax Planning and Estate Planning	
<b>MODE OF STUDY</b>	Lectures	40 hours
<b>PRE-REQUISITE</b>	Valid IFPHK candidacy	
<b>ASSESSMENT</b>	Attendance	At least 70%
<b>CALCULATOR</b>	Only models on the list of Approved Calculators are admissible to the CFP Certification Examinations. Please refer to the Examination Handbook for details.	

#### OBJECTIVES

This course will provide students with regulatory and legal concepts of taxation in HK, knowledge of the principles and practices of taxation for planning and decision-making. International aspects of taxation will be introduced. This course includes reviews on profits tax, salaries tax, and property tax plus stamp duty. It also provides invaluable insights into all practical aspects of dealing with tax issues generally.

This course also provides students with the knowledge of the estate planning process and various tools used in estate planning. It is designed to help students understand the major issues in estate planning and its application in personal financial planning.

As students progress in the CFP® Certification Education Program and acquire more advanced and specific knowledge in other disciplines such as Insurance Planning, Risk Management, Investment Planning and Asset Management, they will then be able to apply all these knowledge to construct comprehensive financial plans in the capstone course, Financial Planning Practice.

After successfully completing this program, students should be able to:

- Collect the quantitative information required to develop strategies for tax planning and estate planning.
- Collect the qualitative information required to develop strategies for tax planning and estate planning.
- Consider potential opportunities and constraints to develop strategies for tax planning and estate planning.
- Assess information to develop strategies for tax planning and estate planning.
- Synthesize information to develop and evaluate strategies for tax planning and estate planning.



In terms of financial planner professional skills, students should be able to:

- Identify the client's objectives, needs and values that have financial implications for tax planning and estate planning.
- Identify the information required for the financial plan addressing needs for tax planning and estate planning.
- Identify material changes in the client's personal and financial situation that have financial implications for tax planning and estate planning.
- Prepare information to enable analysis for tax planning and estate planning.
- Consider opportunities and constraints to develop strategies for tax planning and estate planning.
- Assess collected information to develop strategies for tax planning and estate planning.
- Develop strategies for tax planning and estate planning.
- Evaluate advantages and disadvantages of each tax planning and estate planning strategy

Students should be able to apply mathematical methods or formulas as appropriate.



## ALLOCATION OF TOPICS

Topics	Level of Learning Outcomes	Teaching Hours
<b>1 Overview of HK Taxes for Individuals</b>		<b>3</b>
Hong Kong Tax System	2	
Hong Kong Taxation Laws and Tax administration	1	
<b>2 Individual Income Tax</b>		<b>17</b>
Salaries Tax	6	
Property tax	2	
Profits tax	4	
Tax Planning Basics	3	
Tax Management	2	
<b>3 Estate Planning Basics</b>		<b>7</b>
Overview of Estate Planning	2	
Legal requirements (probate)	3	
Administration of the Estate	2	
<b>4 Estate Planning Instruments</b>		<b>13</b>
Wills	3	
Trusts	3	
Alternative estate planning tools	3	
Planning for incapacity and special topics in estate planning	2	
Beneficiary Consideration	2	



## **ESSENTIAL READINGS**

Study Guide for CFP® Certification

David Flux and David G. Smith, Hong Kong Taxation Law & Practice, latest edition, the Chinese University Press

Employee Benefits and Estate Planning, IFPHK/John Wiley & Sons, 2007

## **RECOMMENDED/SUPPLEMENTARY READINGS**

Ho, Patrick, Hong Kong Taxation and Tax Planning, Latest edition, Pilot Publishing Co. Ltd.

Dora Lee & Ho Chi Ming, Advanced Taxation in Hong Kong, latest edition, Longman

Guide to Completion of Tax Return. Inland Revenue Department

Departmental Interpretation & Practice Note (DIPN)

<http://www.ird.gov.hk>

Stamp Office Interpretation & Practice Note (SOIPN)

<http://www.ird.gov.hk>

Inland Revenue Board of Review Decisions

<http://www.ird.gov.hk>

Hong Kong Tax Cases

<http://www.ird.gov.hk>

Department of Justice, HKSAR

<http://www.doj.gov.hk>

Inland Revenue Ordinance (IRO) Chapter 112 (Selected Sections) (IRD)

Inland Revenue Rules Chapter 112A (Selected Sections) (IRD)

Stamp Duty Ordinance Chapter 117 (Selected Sections) (SD)

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<b>SUBJECT</b>	Course 4 : Financial Planning Practice						
<b>MODE OF STUDY</b>	Lectures                      40 hours						
<b>PRE-REQUISITE</b>	Valid IFPHK candidacy						
<b>ASSESSMENT</b>	Students will be assessed based on their written financial plan, together with their participation and performance in class.  <table><tr><td>Participation</td><td>10%</td></tr><tr><td>Two group assignments</td><td>30%</td></tr><tr><td>Individual Written Plan (based on Group Case)</td><td>60%</td></tr></table> In order to pass this course, students must attain at least 50% of the final marks AND 70% of attendance.	Participation	10%	Two group assignments	30%	Individual Written Plan (based on Group Case)	60%
Participation	10%						
Two group assignments	30%						
Individual Written Plan (based on Group Case)	60%						
<b>CALCULATOR</b>	Only models on the list of Approved Calculators are admissible to the CFP Certification Examinations. Please refer to the Examination Handbook for details.						

#### OBJECTIVES

As students progress in the CFP® Certification Education Program and acquire advanced and specific knowledge in Investment Planning, Asset Management, Insurance Planning, Risk Management, Tax Planning and Estate Planning, this course provides training to students in constructing comprehensive financial plans and applying knowledge acquired in course 1 to 3.



## **COURSE STRUCTURE**

The discussion and development of case studies, and the development of sample financial plan based on the essential fact patterns for the financial planning case, form the core learning activity of this case course - Financial Planning Practice.

This practical and interactive approach aims to teach students, and allow students to practice, the skills needed to analyze and synthesize information across the financial planning components and to develop strategies leading to viable recommendations for the client.

In addition to the Sample Case provided, candidates forming into different groups are required to develop their own Group Case Study. This approach adds to the student's learning experience and ability to determine what is, and is not, important with regard to the advice and content provided in the financial plan (similar to what happens during real life client engagements). It also gives the student the opportunity to identify what he or she believes are key areas that need to be addressed in the financial plan, as well as to identify what information may be missing.

## **ESSENTIAL READINGS**

Study Guide for CFP® Certification

Cheng, Fundamentals of Financial Planning, McGraw Hill Education (Asia)

Fundamentals of Risk and Insurance, IFPHK/John Wiley

Bodie, Kane and Marcus, Essentials of Investments, McGraw-Hill/Irwin

Ayesha Macpherson Lau and Garry Laird, Hong Kong Taxation - Law & Practice, The Chinese University Press;

Employee Benefits and Estate Planning, John Wiley & Sons, (Asia)

IFPHK Practice Guide for financial Planners

FPSB's Financial Plan Framework

Guidance for candidates developing a financial plan

FPSB's Financial Planner Competency Profile

IFPHK's Code of Ethics and Professional Responsibility

IFPHK's Financial Planning Practice Standards

## **IMPORTANT NOTES**

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