



# CFP<sup>CM</sup> CERTIFICATION EXAMINATION HANDBOOK

Papers 1-4



**GENERAL INFORMATION**

VERSION: AUGUST 2011

## Inquiries

IFPHK will update information about IFPHK Registered CFP<sup>CM</sup> Certification Education Programs, examination preparatory courses and the certification examination from time to time. Please check with our website for announcements.

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Closed on Saturday, Sunday and public holidays

\* Please note that this Handbook only applies to the Old Structure, 4-paper CFP<sup>CM</sup> Certification Examination. Please refer to the converter on the IFPHK website and/or other relevant materials for details of the New Structure AFP<sup>TM</sup> Certification and CFP<sup>CM</sup> Certification Examinations.

The Old Structure, 4-paper CFP<sup>CM</sup> Certification Examination will be offered up to June 2013. Between now and June 2013, the Examination will be held for four times in total (in December 2011, June 2012, December 2012 and June 2013).

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# TABLE OF CONTENTS

## I. CERTIFICATION REQUIREMENTS

- 1. "Four Es" Requirements ..... p.3
- 2. Completion of Education Requirement ..... p.4

## II. EXAMINATION REQUIREMENTS

- 1. Structure ..... p.6
- 2. Pre-requisite Education Requirement ..... p.6
- 3. Sequence of Papers ..... p.7
- 4. Language of Examination ..... p.7
- 5. Duration ..... p.7
- 6. Grading ..... p.7
- 7. Re-examination and Time Limit ..... p.7

## III. CFP<sup>CM</sup> CERTIFICATION EXAMINATION

- 1. Content Coverage ..... p.8
- 2. Cognitive Level ..... p.8
- 3. Balance of Emphasis ..... p.8
- 4. Question Format ..... p.8
- 5. Update of Rules and Regulations ..... p.9
- 6. Information Provided in Examination Paper ..... p.9
- 7. Sample Examination Questions ..... p.9

## IV. PREPARATION FOR EXAMINATION

- 1. Revision Materials ..... p.10
- 2. Revision Courses ..... p.10
- 3. Examination Information Session ..... p.10
- 4. Past Examination Statistics ..... p.10

## V. REGISTRATION PROCEDURES

- 1. Application ..... p.11
  - 1.1 Application Form ..... p.11
  - 1.2 Application Deadline ..... p.11
  - 1.3 Submission of Application Form ..... p.11
- 2. Payment ..... p.11
  - 2.1 Examination Fee ..... p.11
  - 2.2 Payment Method ..... p.11
  - 2.3 Refund/ Withdrawals Policy ..... p.12
  - 2.4 Medical or Other Emergencies ..... p.12
- 3. Notices ..... p.12
  - 3.1 Application Result Notice ..... p.12
  - 3.2 Personal Particulars ..... p.12
  - 3.3 Admission Card ..... p.12

## VI. RESULTS AND CERTIFICATES

- 1. Examination Results ..... p.13
- 2. Examination Certificates ..... p.13
- 3. Loss or Damage to Examination Certificates ..... p.13

# TABLE OF CONTENTS


## VII. EXAMINATION POLICY

1. Examination Misconduct	p.14
2. Examination Scoring	p.14
3. Pass Score	p.14
4. Re-examination Policy	p.14
5. Enquiries on Examination	p.15
6. Examination Review	p.15
7. Notice Relating to the Personal Data (Privacy) Ordinance	p.15
8. Non-discrimination Policy	p.15
9. Reservation of Right to Cancel Examination	p.15
10. Amendments	p.15
Appendix 1: Information on Examination Papers and Examination Syllabus	p.16
Appendix 2: Reference Materials	p.29
Appendix 2A : Paper 1 - Insurance and Retirement Planning	p.29
Appendix 2B : Paper 2 - Tax and Estate Planning	p.31
Appendix 2C : Paper 3 - Investment Planning	p.32
Appendix 2D : Paper 4 - Financial Planning Practice	p.33
Appendix 3: Sample Examination Questions of United States CFP Board (English version only)	p.34
Appendix 3A : Paper 1 - Insurance and Retirement Planning	p.34
Appendix 3B : Paper 2 - Tax and Estate Planning	p.35
Appendix 3C : Paper 3 - Investment Planning	p.36
Appendix 3D : Paper 4 - Financial Planning Practice	p.37
Appendix 4: Sample of Information to be Provided in Examination Paper - Allowances and Tax Rate Table	p.38
Appendix 5: CFP <sup>CM</sup> Certification Examination Regulations	p.39
Appendix 6: Notice Relating to the Personal Data (Privacy) Ordinance	p.43

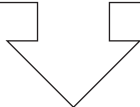
# CERTIFICATION REQUIREMENTS

## I. CERTIFICATION REQUIREMENTS


### 1. "Four Es" Requirements

As the certification body awarding CFP<sup>CM</sup>, CERTIFIED FINANCIAL PLANNER<sup>CM</sup>, and  in Hong Kong and Macau, IFPHK requires all CFP<sup>CM</sup> certificants to satisfy the rigorous CFP<sup>CM</sup> certification requirements that includes education, examination, experience and ethics. These standards are called “the four Es,” which indicate that financial planners are committed to providing competent and ethical financial planning services.

**Challenge Status**  
Holder of professional qualification that has IFPHK approved credential



1 Education	2 Examination	3 Experience	4 Ethics	5 Continuing Education
Completed IFPHK Registered CFP <sup>CM</sup> Certification Education Program (6 modules)	Passed the CFP <sup>CM</sup> Certification Examination (4 papers)	Possessed qualified financial planning work experience - 3 years for degree holders - 6 years for non-degree holders with a minimum 5 passes in HKCEE	Adhere to Code of Ethics and Professional Responsibilities of IFPHK	Acquire 15 CE credits every year



**Transcript Review**  
Candidates can apply for possible exemption. IFPHK may waive some of the required educational modules.

## 2. Completion of Education Requirement

There are three paths to the completion of the education requirement: IFPHK Registered CFP<sup>CM</sup> Certification Education Program, Transcript Review, and Challenge Status. Each of which is described below.

### (i) IFPHK Registered CFP<sup>CM</sup> Certification Education Program

Currently, there are four Approved Education Providers who are offering the IFPHK Registered CFP<sup>CM</sup> Certification Education Program. They are:

- (1) Li Ka Shing Institute of Professional and Continuing Education (LiPACE), The Open University of Hong Kong
- (2) Management and Executive Development Centre (MEDC), The Hong Kong Polytechnic University
- (3) School of Continuing and Professional Education (SCOPE), City University of Hong Kong
- (4) School of Professional and Continuing Education (SPACE), The University of Hong Kong

### (ii) Transcript Review

IFPHK may waive some of the required educational modules based on previous education and qualifications. Candidates can apply by completing the transcript review application form after comparing the checklist with their own transcripts to determine exemption of the education modules.

Some of the subjects or qualifications offered by universities and professional organisations have been pre-approved by IFPHK for exemption from required modules. For the list of approved qualifications, please refer to the IFPHK website at [www.ifphk.org](http://www.ifphk.org).

Currently, modules which will be considered for exemptions through transcript review are:

#### For Degree Programs:

Module	For Local Universities
1	Foundation of Financial Planning
2	Insurance
3	Investments
4	Taxation and Tax Planning
5	Employee Benefits and Estate Planning

Module	For Overseas Universities
1	Foundation of Financial Planning
2	Insurance
3	Investments

#### For Associate Degree/Higher Diploma Programs:

Module	For Local Education Institutions
1	Foundation of Financial Planning
2	Insurance
3	Investments

(iii) Challenge Status

Candidates with certain doctoral degrees and professional credentials are considered as having fulfilled the education requirement. The following are approved credentials:

**Approved Challenge Status List**

Associate/ Fellow of Association of Chartered Certified Accountants (ACCA/FCCA)  
Associate/ Fellow of Association of International Accountants (AAIA/FAIA)  
Certified General Accountant (CGA)  
Certified Management Accountant (CMA) (Australia, Canada & US)  
Chartered Accountant (CA) (Australia, Canada, England and Wales, Ireland, New Zealand, Scotland, South Africa, Zimbabwe)  
Chartered Financial Analyst (CFA)  
Fellow of Chartered Insurance Institute (FCII)  
Associate/ Fellow of Chartered Institute of Management Accountants (ACMA/FCMA)  
Members of Chartered Institute of Public Finance and Accountancy (CPFA)  
Certified Public Accountant / Certified Practising Accountant (CPA/FCPA) (Australia, Hong Kong, US)  
Members of Hong Kong Bar Association  
Members of Hong Kong Law Society  
Fellow of the Society of Actuaries (FSA)  
Doctoral Degrees in business or economics

IFPHK will review from time to time the existing academic and professional education programs in Hong Kong to update the list of qualifications for exemption. For updates, please refer to the IFPHK website : [www.ifphk.org](http://www.ifphk.org).

# EXAMINATION REQUIREMENTS

## II. EXAMINATION REQUIREMENTS

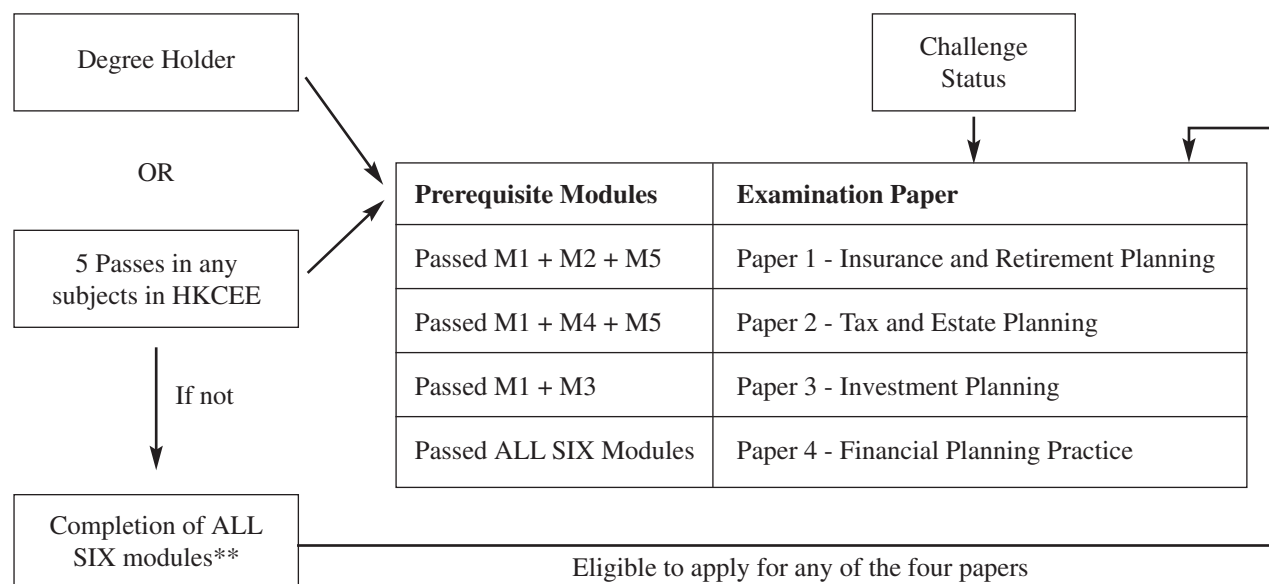
### 1. Structure

The Certification Examination is designed to assess the ability of candidates to apply financial planning knowledge to financial planning situations in an integrated format, thereby protecting the public by assuring that all certificants are at the appropriate level of competency required for practice.

The Certification Examination consists of four papers. Each paper is designed to test candidates' competence on specific major sections of the examination syllabus. Candidates must pass all papers to satisfy the examination requirement for CFP<sup>CM</sup> certification.

Paper	Examination Paper Title
1	Insurance and Retirement Planning
2	Tax and Estate Planning
3	Investment Planning
4	Financial Planning Practice

### 2. Pre-requisite Education Requirement\*



\* To attempt any of the four papers, candidates must meet one of the following general education requirements, in addition to the specific financial planning education requirement:

- a bachelor degree from an accredited university or above; or
- 5 passes in any subjects in HKCEE; or
- passes in all six modules in a IFPHK Registered CFP<sup>CM</sup> Certification Education Program

\*\* The IFPHK Registered CFP<sup>CM</sup> Certification Education Program consists of six education modules:

- Module 1: Foundation of Financial Planning
- Module 2: Insurance
- Module 3: Investments
- Module 4: Taxation and Tax Planning
- Module 5: Employee Benefits and Estate Planning
- Module 6: Advanced Financial Planning

Candidates must have successfully completed the respective required education modules in the IFPHK Registered CFP<sup>CM</sup> Certification Education Program in order to be eligible to sit for the specific paper.

### **3. Sequence of Papers**

Candidates may attempt Papers 1 to 4 in any sequence or number, as long as they have met all pre-requisite education requirements. However, it is advisable for candidates to have completed all 6 education modules before taking any paper in order to get the most benefit from the education program.

### **4. Language of Examination**

The examination papers are set in ONE of two languages: English and Traditional Chinese. The examination questions of these two versions are the same, and candidates can choose to take each paper of the examination in ONE of the languages. They are required to confirm their preferred examination language when submitting their examination application. No change of the examination language is allowed after the examination application is received by IFPHK.

### **5. Duration**

The examination time of Paper 1, Paper 2 and Paper 3 is 2.5 hours each. For Paper 4, it is 3 hours.

### **6. Grading**

All questions in the examination are of equal marks. Each of the four papers of the Certification Examination is graded independently and the result of one paper does not affect another.

### **7. Re-examination and Time Limit**

Candidates are only required to re-sit the paper which they fail. There is no limit on the maximum number of re-sit examinations that one candidate can take for any one of the papers. The Old Structure, 4-paper CFP<sup>CM</sup> Certification Examination will be offered up to June 2013. Between now and June 2013, the Examination will be held for four times in total (in December 2011, June 2012, December 2012 and June 2013).

## III. CFP<sup>CM</sup> CERTIFICATION EXAMINATION

### 1. Content Coverage

There are 87 topics for job competency requirements for CFP<sup>CM</sup> certificants. All these topics are covered in the six modules of the IFPHK Registered CFP<sup>CM</sup> Certification Education Program and will be tested specifically in the four Papers.

Paper	Paper title	What are covered	Exam Syllabus
1	Insurance and Retirement Planning	<ul style="list-style-type: none"> <li>• Financial Planning Process / General Principles</li> <li>• Insurance Planning</li> <li>• Employee Benefits</li> <li>• Retirement Planning</li> </ul>	Appendix 1
2	Tax and Estate Planning	<ul style="list-style-type: none"> <li>• Financial Planning Process / General Principles</li> <li>• Tax Planning</li> <li>• Estate Planning</li> </ul>	
3	Investment Planning	<ul style="list-style-type: none"> <li>• Financial Planning Process / General Principles</li> <li>• Investment Planning</li> </ul>	
4	Financial Planning Practice	<ul style="list-style-type: none"> <li>• Integrated topics of financial planning</li> </ul>	

Reference materials are set out in Appendix 2. These are recommendations but is not an exhaustive list.

### 2. Cognitive Level

The cognitive levels that are tested in the CFP<sup>CM</sup> Certification Examination are:

- i. Knowledge
- ii. Comprehension/Application
- iii. Analysis/Synthesis
- iv. Evaluation

### 3. Balance of Emphasis

The CFP<sup>CM</sup> Certification Examination will test candidates' ability to integrate knowledge from all of the IFPHK's specified topic areas. Questions may focus on discrete topics or may require knowledge of several topics.

### 4. Question Format

The CFP<sup>CM</sup> Certification Examination is a pencil-and-paper examination and all questions are presented in a multiple-choice format with four answer options that may include a combination of possible answers.

See Appendix 1 for details of number of questions and distribution by topic.

## **5. Update of Rules and Regulations**

From time to time, there will be updates and changes to the laws governing the financial industry as well as rules and requirements of the Institute of Financial Planners of Hong Kong. Candidates taking the CFP<sup>CM</sup> Certification Examination are expected to apply their knowledge of current laws, rules and requirements which, at the time of the examination, have been published or released by the relevant authority for 6 months or longer. This refers to the date such laws, rules and requirements were released, not their effective date.

## **6. Information Provided in Examination Paper**

An Allowances and Tax Rate Table will be provided in Papers 2 and 4 for reference. Please refer to Appendix 4 for a sample.

## **7. Sample Examination Questions**

Past examination papers are not released. However, candidates may:

- (a) purchase IFPHK Sample Questions Booklet for Papers 1 to 3 which contains 20 sample questions of each Paper and Sample Questions Booklet for Paper 4 which contains 1 sample case and 10 sample questions. Please refer to IFPHK's website for information on IFPHK Sample Questions Booklets.
- (b) access the following CFP<sup>®</sup> Certification Examination sample questions released by the Certified Financial Planner Board of Standards, Inc. in the United States from the weblink:  
<http://www.cfp.net/become/examquestions.asp>

Questions sampled for each of Papers 1 to 3 in Appendices 3A to 3C are selected from the website in (b) above. For sample questions on Paper 4 from the Certified Financial Planner Board of Standards, please refer to cases in the same website.

Please note that the questions selected in Appendices 3A to 3C are intended to provide candidates with some idea about the cognitive level and format of questions in the Certification Examination. However, they are a selection only and do not purport to reflect the examination in terms of either overall content and/or emphasis. For topics covered in each Paper please refer to the Syllabus of the CFP<sup>CM</sup> Certification Examination Paper at Appendix 1.

# PREPARATION FOR EXAMINATION

## IV. PREPARATION FOR EXAMINATION

### 1. Revision Materials

Candidates should refer to Appendices 1 and 2 for the examination syllabus and reference materials. The sub-topic list and the reference list are by no means exhaustive.

### 2. Revision Courses

Candidates may consider attending intensive revision courses offered by IFPHK Approved Education Providers to assist in preparing for the Certification Examination. Interested candidates may contact the tertiary institutions direct for more information.

### 3. Examination Information Session

To help candidates better prepare for the examination, IFPHK staff will conduct an information session before each examination to explain the examination regulations and review some examination statistics with candidates.

### 4. Past Examination Statistics

Examination statistics from previous examinations are available from IFPHK's website for candidates' reference.

## V. REGISTRATION PROCEDURES

### 1. Application

#### 1.1 Application Form

Application forms are printed in 2 different languages. Candidates are required to fill out an application form in the language that corresponds with their desired examination language. They will only need to submit one application form regardless of the number of examination papers they are applying for, if the language is the same.

The forms can be obtained from:

- the IFPHK website (<http://www.ifphk.org>); or
- the IFPHK office during office hours; or
- the Approved Education Providers

#### 1.2 Application Deadline

The application deadline for each examination is approximately 12 weeks prior to the examination date. The exact deadline will be provided in the examination application form.

#### 1.3 Submission of Application Form

Completed applications with supporting academic records must be received by the printed deadline. Application forms submitted after the deadline will not be accepted and incomplete applications will not be processed. Candidates who have filled out an acknowledgment of receipt will receive the acknowledgment.

The IFPHK will NOT be responsible for the loss of application forms and documents sent by mail, or postal packets with insufficient postage.

### 2. Payment

#### 2.1 Examination Fee

Examination fee for Paper 1 - 3 : HK\$900 each

Examination fee for Paper 4 : HK\$1,200

##### 2.1.1 Pre-examination Assessment Fees for Challenge Status

A one-off initial assessment fee of HK\$1,000 will apply to challenge status candidates in addition to the regular examination fee.

#### 2.2 Payment Method

The examination fee must be submitted with the application form by:

- Deposit slip (bank in the payment to IFPHK's account before submitting application); or
- Cheque (payable to the Institute of Financial Planners of Hong Kong Limited or IFPHK Ltd); or
- Credit card

## 2.3 Refund / Withdrawals Policy

- Examination fee is non-transferable.
- Assessment fee for challenge status is non-refundable and non-transferable.
- No refund of any examination fee will be made for withdrawals.
- Absence from the examination will result in a forfeiture of the entire examination fee.
- Candidates must meet the pre-requisite education requirements before submitting their examination applications. An administration fee of HK\$300 per paper will be incurred for unqualified applications which do not fulfill the pre-requisite education requirements (i.e. 5 passes in HKCEE/degree holder and prerequisite education modules) for enrolling in any specific examination paper.

## 2.4 Medical or Other Emergencies

In case of medical or other emergencies, candidates may apply for a waiver of the examination fee forfeiture if the following conditions are met:

- the request must be made in writing and supported by appropriate documentation such as a physician's letter; and
- the request must be received within two weeks following the examination date; and
- if approval for deferral is granted, candidates will be charged an administration fee of HK\$500 per paper.

## 3. Notices

### 3.1 Application Result Notice

- An application result notice will be sent to applicants at least FOUR WEEKS before the date of the examination. For successful applicants, a letter of authorization from IFPHK indicating that they are qualified to sit for the CFP<sup>CM</sup> Certification Examination under the applied category will also be sent.
- The letter of authorization from IFPHK serves as official proof of examination candidacy. It should be retained and submitted with the application form when retaking the same examination paper.
- If the application is rejected because the candidate does not meet the requirements for sitting the Certification Examination, the applicant will need to submit a new application with appropriate fees to sit subsequent examinations.

### 3.2 Personal Particulars

- A personal information verification form will be sent to qualified candidates to confirm the personal data required for examination prior to the issuance of admission card. Candidates should inform IFPHK immediately if any mistake is found on the form. Failure to inform IFPHK of the mistakes by the stated deadline which requires the re-issuance of admission card subsequently will incur administrative charges of HK\$300 to the candidate.
- If there are any changes of candidates' personal particulars (such as name, address, telephone numbers, etc), candidates must notify IFPHK immediately via fax or mail by completing a Change of Personal Particulars Form which can be downloaded from IFPHK website.
- Failure to promptly notify IFPHK may delay or prevent the receipt of information regarding the enrolled examinations.

### 3.3 Admission Card

- If the examination application is approved, an admission card will be mailed to the candidate at least TWO WEEKS before the date of the examination.
- Information on the exact time and location of the examination will be sent to the candidate together with the admission card.
- Candidates should carefully examine their admission card and notify IFPHK immediately by fax or email of any problems at least ONE WEEK before the examination day. If a new admission card has to be issued, an administration fee of HK\$300 will be charged.
- If qualified candidates do not receive the admission card FIVE DAYS before the examination, they should contact IFPHK immediately. Candidates will not be permitted entry to the examination hall without an admission card and valid identification.

## VI. RESULTS AND CERTIFICATES

### 1. Examination Results

- Examination results are normally available within TWO MONTHS after the examination. The result notification letter will be sent to candidates by mail. Candidates can also check the results on IFPHK website upon the posting of examination result announcement.
- The CFP<sup>CM</sup> Certification Examination is graded PASS or FAIL. In no instances are numeric scores, grades or percentages released.
- Candidates who are unable to attend the examination will be regarded as ABSENT.
- The IFPHK may at its discretion award candidates who have attained the top three scores in an examination paper with the “Top Scorer” award for that examination paper.
- To protect the privacy of candidates and to maintain confidentiality of examination results, no result information will be released over the telephone, nor will they be faxed.
- Candidates who have passed all papers of the 4-paper mode CFP<sup>CM</sup> Certification Examination must complete the CFP<sup>CM</sup> Certification process by 30 September 2013 or maintain a valid candidacy status with IFPHK under the new structure of CFP<sup>CM</sup> Certification.

### 2. Examination Certificates

An Examination Certificate will be issued to successful candidates who have passed all 4 papers within three months after the examination results are available. Candidates will be notified of the time when they may collect their certificates from IFPHK office. If the certificates are not collected within THREE MONTHS of the issuance of the notification, they will be destroyed and will not be re-issued.

### 3. Loss or Damage to Examination Certificates

Candidates who have lost or damaged their certificates may apply for a Statement of Result by submitting a written request, which will be subject to an administration fee of HK\$150.

## VII. EXAMINATION POLICY

### 1. Examination Misconduct

Candidates should carefully read the examination regulations in Appendix 5 before attending the examination. Failure to observe any of these regulations may lead to disqualification from the examination.

Incidences of reported cheating will be investigated by IFPHK. If a candidate is found to have cheated and/or aided or abetted a cheater, or violated any other examination policy, the candidate may be disqualified and he/she will be subject to disciplinary action taken by IFPHK.

Depending on the seriousness of the violation, the candidate may be barred from taking any IFPHK CFP<sup>CM</sup> Certification Examination for a period of one year from the date of the incident up to a lifetime ban. The Examination Board reserves the right to report the violation to the relevant authorities and professional bodies if necessary. CFP Certification Examination related disciplinary sanctions on a candidate may be considered by relevant department(s) of IFPHK in processing his/her CFP Certification application, if any, in the future.

### 2. Examination Scoring

- All examination questions in the papers are compulsory.
- Only answers marked on the answer sheet with an HB pencil will be scored. No credit will be given for answers written or noted in the examination book.
- Select only one answer for each question. Multiple responses to a single question will not be scored. Not completely erased marks on the answer sheet will be deemed to be multiple responses.
- A candidate's score is based on the number of questions answered correctly. No points will be deducted for wrong answers.
- Only correct answers will earn points. No partial credit will be given.

### 3. Pass Score

There are multiple versions of the Certification Examination. While all questions are developed from the topics in Appendix 1, the level of difficulty of each examination administered may vary slightly because different questions appear in each examination. Statistical procedures used by IFPHK are consistent with those adopted by the CFP Board and its consulting psychometricians to assure that all candidates are treated equally from one examination series to another.

The pass score for the Certification Examination will be determined in accordance with standard pass-score procedures for certification examinations. The following excerpt describes the intent of those pass-score procedures:

*"The expected passing rate based on criterion-referenced methods is sometimes difficult to predict ....There is no intention to pass or fail a fixed percentage of candidates. Instead, the intent is to make fair and appropriate pass-fail decisions. Those who meet reasonable criteria of knowledge and skills pass; those who do not meet competency criteria, regardless of their relative standing, fail. The passing rate is not based on the expected performance of average examiners (for they may be higher or lower than minimally competent), or ideal performance." (J.A. Mirone, "Norm-vs. Criterion-Reference Passing Scores; Considerations for Passing Rates", CLEAR Examination Review, Winter 1990).*

Because of the procedures adopted, the pass scores may vary from examination to examination and are not disclosed.

### 4. Re-examination Policy

Candidates are only required to re-sit the paper they fail.

(To safeguard the integrity and security of examination questions, candidates who have passed an examination paper will NOT normally be permitted to sit for the same examination paper again at any time.)

## **5. Enquiries on Examination**

After taking the examination, candidates may complete and file an Examination Enquiry Report/Examination Administration Report (downloadable from IFPHK website) for either of the following:

- If they believe that an examination question contains an error, they can fill in an Examination Enquiry Report and submit the information via mail within TEN days of the examination. The submission will be acknowledged but candidates will not receive an individual response to the submission.
- If they have comments about examination administration, they can fill in and submit an Examination Administration Report within 30 days of the examination.

## **6. Examination Review**

For security reasons, examination material is not available for review. Candidates may however request a hand-scoring of their valid Certification Examination answer sheet if they suspect that it was scored incorrectly. They must complete and file an Examination Review Request Form for requesting hand-scoring to IFPHK within 30 calendar days of the printed date on the result notification letter with a HK\$500 processing fee. Requests made after the 30 days will not be accepted.

The examination review report will be available within 4-6 weeks after the request is received. Please note that the report will only indicate: 1) if there is any difference between hand-scored and machine-scored marks; and 2) if there is any change in result status given the hand-scored marks. Information on examination scores or grades is not provided in the examination review report. In the event that there is a discrepancy between the hand-scored and machine-scored results, hand-scored results will prevail and the full processing fee will be refunded.

## **7. Notice Relating to the Personal Data (Privacy) Ordinance**

Candidates are advised to read the Notice Relating to the Personal Data (Privacy) Ordinance in Appendix 6 in understanding their obligations and rights in respect of the supply of personal data to IFPHK, and the ways in which IFPHK may use or handle such data.

## **8. Non-discrimination Policy**

IFPHK observes anti-discrimination laws in force in Hong Kong and adopts policies and procedures to ensure fair and equitable treatment of all candidates in the examination and certification process.

IFPHK will endeavour to make reasonable accommodations for candidates who, because of disability, will need special arrangements in order to be able to sit for the Certification Examination. Such candidates are required to provide proof from a qualified physician as to the nature of their disability, and the arrangements needed.

## **9. Reservation of Right to Cancel Examination**

IFPHK may decide to change the date, time, or conditions of the administration of the examination or cancel the administration of the examination, either entirely or of a particular paper, if IFPHK in its sole discretion decides that any such action is needed to protect the integrity of the CFP<sup>CM</sup> Certification Examination, or because administration of the examination is hindered by any cause that could not be reasonably prevented by IFPHK, including fire, flood or other natural disasters; a public enemy, or a military authority.

## **10. Amendments**

IFPHK reserves the right to make changes to the examination regulations, the examination syllabi, topic coverage and any other information presented in this examination handbook when necessary.

# APPENDIX 1 : Information on Examination Papers and Examination Syllabus

## Number of questions and distribution by topic\*:

Paper	Paper 1 - Insurance and Retirement Planning	Paper 2 - Tax and Estate Planning	Paper 3 - Investment Planning	Paper 4 - Financial Planning Practice
Duration	2.5 hours	2.5 hours	2.5 hours	3 hours
No. of questions	85-95	75-85	75-85	55-65
Distribution of question by topic areas:				
A. Financial Planning Process (Topics 1 – 18)**	22%	32%	25%	Integrated topics of financial planning
B. Insurance Planning (Topics 19 – 29)**	56%	—	—	
C. Investment Planning (Topics 30 – 49)**	—	—	75%	
D. Tax Planning (Topics 50 – 62)**	—	45%	—	
E. Employee Benefits and Retirement Planning (Topics 63 – 73)**	22%	—	—	
F. Estate Planning (Topics 74 – 87)**	—	23%	—	

\*This table is for reference only. The Institute of Financial Planners of Hong Kong may change this table from time to time.

\*\*See Examination Syllabus

## Examination syllabus (with effect from December 2008)

Please note that the 87-topic syllabus has not been amended. The syllabus has only been enhanced with the list of subtopics detailed below which indicates the major areas examined under each numbered topic heading. It is in no particular order and is not intended to be an exhaustive list. Candidates may refer to the reference materials<sup>#</sup> for further details in relation to topic headings and subtopics. (Reference information on the number of Multiple Choice Questions for each exam paper has been added in January 2010, and is based on the examinations held in 2008 and 2009. For details please see the table below. Please note that IFPHK has the discretion to modify the number of Multiple Choice Questions without prior notice.)

# - A list of reference materials is contained in Appendix 2 of the CFP<sup>CM</sup> Certification Examination Handbook.

## - No number of Multiple Choice Questions is provided for Paper 4 as it is a case-related examination that covers integrated topics.

### A. Financial Planning Process

Topic no.	Topic	Paper 1	Paper 2	Paper 3	Paper 4
		No. of Multiple Choice Question(s)			
1	<b>Establishing client-planner relationships</b>	✓	✓	✓	✓
	a) Defining the scope of the engagement				
	b) Communication techniques				
	c) Rules for soliciting and communicating with clients	1-3	1-3	1-3	##
	d) Honesty and fiduciary relationship				
2	<b>Gathering client data and determining goals and expectations</b>	✓	✓	✓	✓
	a) Determining a client's personal and financial goals, needs and priorities				
	b) Obtaining quantitative information and documents				
	c) The client's unstated needs/ non-financial needs	1-3	1-3	1-3	##
	d) The storage and maintenance of client's data				

Topic no.	Topic	Paper 1	Paper 2	Paper 3	Paper 4
		No. of Multiple Choice Question(s)			
3	<b>Determining the client's financial status by analysing and evaluating clients' information</b>	✓	✓	✓	✓
	a) Client's background and client's financial status				
	b) Analysing and evaluating client's information c) Identifying problems and issues	1-3	1-3	1-3	##
4	<b>Developing and presenting the financial plan</b>	✓	✓	✓	✓
	a) Identifying and evaluating financial planning alternatives				
	b) Developing the financial recommendations c) Presenting the financial planning recommendation(s)	1-3	1-3	1-3	##
5	<b>Implementing the financial plan</b>	✓	✓	✓	✓
	a) Agreeing on implementation responsibilities				
	b) Selecting products and services for implementation c) Handling client's assets	0-2	0-2	0-2	##
6	<b>Monitoring the financial plan</b>	✓	✓	✓	✓
	a) Defining monitoring responsibilities				
	b) Source of changes / reasons for review				
	c) Conducting and supervising a review	1-3	1-3	1-3	##
	d) Revision of plans e) Ongoing services				
7	<b>Regulatory requirements for CFP certificants</b>	✓	✓	✓	✓
	a) Becoming CFP certificants / 4Es requirements				
	b) Proper usage of CFP Certification marks				
	c) IFPHK's disciplinary rules and procedures	0-2	0-2	0-2	##
	d) Renewal policy e) Ongoing certification requirements				
8	<b>Ethical and professional considerations in financial planning</b>	✓	✓	✓	✓
	a) IFPHK's Code of Ethics and Professional Responsibility b) Professional liability and fiduciary duty	1-3	1-3	1-3	##
9	<b>Assessment of risk and client behavior</b>	✓	✓	✓	✓
	a) Risk profiling / risk tolerance				
	b) Life cycle analysis c) Personal profiling	0-2	0-2	1-3	##
10	<b>Financial planning for special needs</b>	✓	✓	✓	✓
	a) Divorce				
	b) Disabilities				
	c) Terminal illness				
	d) Non-traditional families	0-2	0-2	0-2	##
	e) Job changes and job loss, including severance packages f) Dependant(s) with special needs				
11	<b>Economic environment and indicators</b>	✓	✓	✓	✓
	a) Supply and demand				
	b) Inflation/deflation				
	c) Interest rates/yield curves				
	d) Monetary and fiscal policies	1-3	1-3	1-3	##
	e) Business cycles				
	f) Leading, lagging and coincident indicators				
	g) Stock and bond market indexes h) Understanding the operation of financial markets				
12	<b>Calculate and interpret time value of money</b>	✓	✓	✓	✓
	a) Present values				
	b) Future values and compound interest				
	c) Perpetuities, annuities and multiple cash flows	3-5	3-5	1-3	##
	d) Inflation and time value of money e) Effective interest rate				

Topic no.	Topic	Paper 1	Paper 2	Paper 3	Paper 4
		No. of Multiple Choice Question(s)			
13	<b>Asset valuation for financial planning functions</b>	✓	✓	✓	✓
	a) Overview of asset valuation for financial planning functions b) Ratio analysis	0-1	0-1	0-1	##
14	<b>Forms of business ownership / entity relationships</b>	✓	✓	✓	✓
	a) Sole proprietorship b) Partnership (general partnership and limited partnership) and overview of related legislation c) Private limited company and overview of related legislation d) Public limited company and overview of related legislation	1-3	1-3	1-3	##
15	<b>Ways of taking title to property</b>	✓	✓	✓	✓
	a) Different types of legal title/ownership to property b) Overview of different ways of taking title to property	0-1	0-1	0-1	##
16	<b>Legal aspects of financial planning</b>	✓	✓	✓	✓
	a) Overview of the Personal Data (Privacy) Ordinance b) Overview of the Companies Ordinance c) Overview of legislation governing money laundering d) Overview of the Prevention of Bribery Ordinance e) Overview of other relevant legislation and codes of conduct	1-3	1-3	1-3	##
17	<b>Budgeting</b>	✓	✓	✓	✓
	a) Discretionary income versus non-discretionary income b) Financing strategies c) Saving strategies	1-3	1-3	1-3	##
18	<b>Personal use-asset management</b>	✓	✓	✓	✓
	a) Balance sheet (statement of financial position) b) Cash flow statement	1-3	1-3	1-3	##

## B. Insurance Planning

Topic no.	Topic	Paper 1	Paper 2	Paper 3	Paper 4
		No. of Multiple Choice Question(s)			
19	<b>Principles of insurance</b>	✓			✓
	a) Risk handling methods				
	b) Definition of risk				
	c) Types of risk	5-7			##
	d) Moral hazard/Morale hazard/Physical hazard/Adverse selection e) Insurance company operation				
20	<b>Identification of life, health, homeowners, auto and other property and liability risk exposures</b>	✓			✓
	a) Personal risk exposure				
	b) Property risk exposure				
	c) Liability risk exposure	3-5			##
	d) Business-related risk exposure				
21	<b>Legal aspects of insurance</b>	✓			✓
	a) Basic parts of an insurance contract				
	b) Definition of the "insured"				
	c) Distinct legal characteristics	4-6			##
	d) Principles of insurance contract e) Renewal and cancellation of insurance contract				
22	<b>Insurance industry regulation</b>	✓			✓
	a) Reasons for insurance regulation				
	b) Regulatory framework of insurance industry				
	c) Role of Insurance Authority				
	d) Codes and standards relevant to the local insurance industry				
	e) Insurance claims	3-5			##
	f) Issues regarding equal opportunities				
	g) Prevention of insurance fraud				
	h) Prevention of money laundering				
	i) Licensing of insurance intermediaries				
23	<b>Property and liability policy analysis</b>	✓			✓
	a) Combined comprehensive or package policies				
	b) Property insurance				
	c) Liability insurance				
	d) Pecuniary insurance	6-8			##
	e) Common policy exceptions and conditions				
	f) General, specific and market exclusions				
	g) Use of excesses, deductibles and franchises				
	h) Subrogation				
24	<b>Policy analysis</b>	✓			✓
	a) Policy wordings, policy terms and conditions, premium	3-5			##
	b) Others: Travel insurance				
25	<b>Life insurance policy analysis</b>	✓			✓
	a) Types of life insurance				
	b) Amount of protection needed				
	c) Life insurance contractual provisions	8-10			##
	d) Policy riders e) Beneficiary designation				
26	<b>Annuity policy analysis</b>	✓			✓
	a) Types of annuities	4-6			##
	b) Amount of annuity needed				

Topic no.	Topic	Paper 1	Paper 2	Paper 3	Paper 4
		No. of Multiple Choice Question(s)			
27	<b>Health insurance policy analysis</b>	✓			✓
	a) Medical insurance				
	b) Personal accident and sickness	5-7			##
	c) Disability insurance				
	d) Long term care insurance				
28	<b>Taxation of insurance products</b>	✓			✓
	a) General concept of taxation of insurance products	0-1			##
	b) Overview of taxation of different insurance products				
29	<b>Selecting Insurance Companies and Agencies</b>	✓			✓
	a) Financial strength				
	b) Ratings	3-5			##
	c) Types of policies available				
	d) Cost comparison				

## C. Investment Planning

Topic no.	Topic	Paper 1	Paper 2	Paper 3	Paper 4
		No. of Multiple Choice Question(s)			
30	<b>Client Assessment</b>			✓	✓
	a) Overview of client assessment			0-2	##
31	<b>Marketability/liquidity</b>			✓	✓
	a) General concept of marketability b) General concept of liquidity			0-2	##
32	<b>Types of investment risk</b>			✓	✓
	a) Inflation/purchasing power risk				
	b) Interest rate risk				
	c) Market/systematic/non-diversifiable risk				
	d) Business risk				
	e) Liquidity and marketability risk			2-4	##
	f) Reinvestment risk				
	g) Political risk				
	h) Exchange rate risk i) Specific/non-systematic/diversifiable risk				
33	<b>Measurement of risk</b>			✓	✓
	a) Different ways of risk measurement b) Risk calculations			2-4	##
34	<b>Influence of time on investment risk</b>			✓	✓
	a) Overview of influence of time on investment risk				
	b) Bond duration c) Convexity			2-4	##
	d) Internal rate of return (IRR)				
35	<b>Government regulation of securities and markets</b>			✓	✓
	a) The regulatory framework of the securities market				
	b) Overview of the Securities and Futures Ordinance				
	c) The regulatory framework of the banking industry				
	d) The regulatory framework of the Mandatory Provident Fund industry			2-4	##
	e) Overview of the Mandatory Provident Fund Schemes Ordinance				
	f) Licensing of securities intermediaries g) Licensing of MPF intermediaries				
36	<b>Investment vehicles</b>			✓	✓
	a) Asset classes and their characteristics				
	b) Markets classifications and types of orders				
	c) Mutual funds and other investment companies				
	d) Derivative market products				
	e) Equity market products			5-7	##
	f) Fixed-income capital market products				
	g) Money market products				
	h) Convertible securities				
	i) Real assets and real estate				
	j) Indexes				
37	<b>Types and measures of investment returns</b>			✓	✓
	a) Horizon analysis				
	b) Interest rate sensitivity and return				
	c) Price-earnings ratios (P/E)				
	d) The expectations theory and yield curve				
	e) The liquidity preference theory and yield curve			5-7	##
	f) Yield to call (YTC)				
	g) Yield to maturity (YTM)				
	h) Holding-period return (HPR)				
	i) Risk-adjusted return				

Topic no.	Topic	Paper 1	Paper 2	Paper 3	Paper 4
		No. of Multiple Choice Question(s)			
38	<b>Bond and stock valuation methods</b>			✓	✓
	a) Bond valuation				
	b) Default risk, bond rating and bond pricing c) Stock valuation			5-7	##
39	<b>Portfolio performance measurement</b>			✓	✓
	a) Choosing the right measure of risk				
	b) Comparison groups				
	c) Jensen measure				
	d) Sharpe measure				
	e) Treynor measure			3-5	##
	f) M <sup>2</sup> measure				
	g) Performance attribution				
	h) Portfolio rebalancing				
	i) Risk adjustments				
	j) Benchmarks				
40	<b>Formula investing</b>			✓	✓
	a) Charting				
	b) Technical analysis and market efficiency				
	c) Technical indicators: sentiment indicators, flow of funds, market structure indicators			2-4	##
	d) The Dow theory				
	e) Dollar-cost averaging				
	f) Dividend reinvestment				
41	<b>"Active" and "passive" strategies</b>			✓	✓
	a) Market timing				
	b) General concept of active management			3-5	##
	c) General concept of passive management				
42	<b>Leverage and use of borrowed funds for investing</b>			✓	✓
	a) Margin trading				
	b) Short selling			1-3	##
43	<b>Hedging and options strategies</b>			✓	✓
	a) Hedge ratios and the Black-Scholes formula				
	b) Arbitrage and hedge using options				
	c) Types and characteristics of option contract			3-5	##
	d) Option strategies				
	e) Other hedging strategies				
44	<b>Asset allocation: active and passive</b>			✓	✓
	a) Asset allocation across risky and risk-free portfolios				
	b) Asset allocation and security selection				
	c) International diversification				
	d) Risk tolerance and asset allocation				
	e) The Capital Allocation Line (CAL)			1-3	##
	f) The Capital Market Line (CML)				
	g) The fallacy of time diversification				
	h) The mean-variance criterion				
	i) Separation property				

Topic no.	Topic	Paper 1	Paper 2	Paper 3	Paper 4
		No. of Multiple Choice Question(s)			
45	<b>Pricing models</b>			✓	✓
	a) Capital Asset Pricing Model (CAPM)				
	b) Multi-factor Asset Pricing Model (APM)				
	c) Security Characteristic Line (SCL)				
	d) Security Market Line (SML)				
	e) Spot-Futures Parity			4-6	##
	f) The Put-Call Parity relationship				
	g) Real estate pricing				
	h) Dividend Discount Models (DDM)				
	i) Life cycles and Multi-stage Growth Models				
j) The Constant Growth Dividend Discount Model					
46	<b>Efficient market hypothesis (EMH)</b>			✓	✓
	a) Evidence and implications of semi-strong form EMH				
	b) Evidence and implications of strong form EMH				
	c) Evidence and implications of weak form EMH			2-4	##
	d) Portfolio management in an efficient market				
e) Random walks and the EMH					
47	<b>Investment vehicles match to client</b>			✓	✓
	a) Investment decisions				
	b) Investment planning strategies				
	c) Investment policies				
	d) Investment process				
	e) Investor constraints			2-4	##
	f) Investors and objectives				
	g) Monitoring and revising investment portfolios				
h) Investment policy statements					
48	<b>Tax impact on time value analysis of investment</b>			✓	✓
	a) Overview of tax impact on time value analysis of investment			0-1	##
49	<b>International finance and foreign exchange</b>			✓	✓
	a) Functions of the foreign exchange market				
	b) Participants of the foreign exchange market				
	c) Equilibrium conditions for prices, interest rates, and exchange rates				
	d) Forward-spot relationship			2-4	##
	e) Interest rate parity condition (IRP)				
	f) International Fisher Effect				
	g) Purchasing power parity condition (PPP)				
h) Foreign exchange rates and quotations					

## D. Tax Planning

Topic no.	Topic	Paper 1	Paper 2	Paper 3	Paper 4
		No. of Multiple Choice Question(s)			
50	<b>Ethical considerations in tax planning</b>		✓		✓
	a) General concept of tax planning, tax avoidance and tax evasion b) Overview of ethical considerations in tax planning		1-3		##
51	<b>Income tax fundamentals</b>		✓		✓
	a) Salaries Tax: net assessable income; deductions and allowances b) Salaries Tax: exemptions c) Salaries Tax: inclusion of assessable income/scope and source of income/ locality of income d) Salaries Tax: benefits-in-kind		5-8		##
52	<b>Tax compliance matters</b>		✓		✓
	a) Assessment and payment of tax b) Taxpayers' rights and obligations c) Employers' rights and obligations d) Penalties for non-compliance e) Powers of Inland Revenue Department to obtain returns and information		3-5		##
53	<b>Taxation terminology</b>		✓		✓
	a) General taxation terminology b) Overview of the Inland Revenue Ordinance c) Overview of relevant Inland Revenue Rules d) Overview of relevant Departmental Interpretation & Practice Notes e) Features of Hong Kong tax system		2-4		##
54	<b>International tax planning</b>		✓		✓
	a) Tax havens - identification, selection and users of tax havens; tax avoidance b) Fundamentals of the income tax systems in the US, Canada, Australia and the Mainland of China c) Fundamentals of double taxation (including arrangements between the Mainland of China and Hong Kong) and double taxation relief d) Elements of international tax planning		1-3		##
55	<b>Tax calculations and special rules</b>		✓		✓
	a) Tax calculations for all types of taxes in Hong Kong b) Overview of the Stamp Duty Ordinance c) Property tax d) Provisional tax e) Other taxes and duties in Hong Kong		3-5		##
56	<b>Tax accounting</b>		✓		✓
	a) Overview of methods: cash method, accrual method, hybrid method b) Accounting periods		1-3		##
57	<b>Tax characteristics of business forms</b>		✓		✓
	a) Determination of source of profits/assessable profits b) Allowable deductions and losses c) Depreciation allowances d) Hong Kong agents e) Special form of companies: e.g. service companies f) Taxation at dissolution		5-7		##
58	<b>Tax-related write-off concepts</b>		✓		✓
	a) Overview of tax-related write-off concepts		0-1		##
59	<b>Tax management techniques</b>		✓		✓
	a) Personal Assessment b) Joint Assessment c) Deferral of income d) Advance Rulings		3-5		##

Topic no.	Topic	Paper 1	Paper 2	Paper 3	Paper 4
		No. of Multiple Choice Question(s)			
60	<b>Non-taxable transactions</b>		✓		✓
	a) Relief				
	b) Non-taxable transactions c) Exempted organizations		1-3		##
61	<b>Interest and penalty taxes and other charges</b>		✓		✓
	a) Offences and penalties				
	b) Objections and appeals c) General concept of tax investigation		2-4		##
62	<b>Tax pitfalls</b>		✓		✓
	a) Overview of tax pitfalls		0-2		##

## E. Employee Benefits and Retirement Planning

Topic no.	Topic	Paper 1	Paper 2	Paper 3	Paper 4
		No. of Multiple Choice Question(s)			
63	<b>Social benefits</b>	✓			✓
	a) Basic principles and characteristics of social insurance b) Different social welfare schemes in Hong Kong	1-3			##
64	<b>Ethical considerations in retirement planning and employee benefits</b>	✓			✓
	a) Overview of ethical considerations in retirement planning and employee benefits	0-2			##
65	<b>Types of retirement plans</b>	✓			✓
	a) Overview of different types of retirement plans				
	b) Executive benefits and deferred compensation plans c) Stock purchase plan / Incentive stock options	2-4			##
66	<b>Qualified plan characteristics</b>	✓			✓
	a) Government pension for civil servants in Hong Kong				
	b) Relevant provisions in the Occupational Retirement Schemes Ordinance	5-7			##
	c) Relevant provisions in the Mandatory Provident Fund Schemes Ordinance d) Other qualified schemes in Hong Kong				
67	<b>Distributions and distributions options</b>	✓			✓
	a) Pension benefit formulas				
	b) Defined-benefit formulas c) Defined-contribution formulas	0-2			##
68	<b>Retirement needs analysis</b>	✓			✓
	a) Planning retirement income				
	b) Retirement living expenses c) Retirement issues affecting different retirees	0-2			##
69	<b>Recommendation of the most appropriate type of retirement plan</b>	✓			✓
	a) Advantages and disadvantages of different plans				
	b) Meeting the client's retirement needs c) Creating a plan for balanced living	0-2			##
70	<b>Suitability of an investment portfolio for a qualified plan situation</b>	✓			✓
	a) Overview of the suitability of investment portfolios for a qualified plan situation	0-2			##
71	<b>Life, medical and disability plans in employee benefit programs</b>	✓			✓
	a) Overview of group insurance				
	b) Group life insurance				
	c) Group health insurance				
	d) Group dental insurance				
	e) Group disability insurance f) Other group insurance benefits	3-5			##
72	<b>Statutory employee benefits</b>	✓			✓
	a) Statutory employee benefits in Hong Kong				
	b) Statutory versus non-statutory benefits				
	c) Overview of the Employment Ordinance				
	d) Overview of the Employees' Compensation Ordinance	4-6			##
	e) Overview of the Protection of Wages on Insolvency Ordinance f) Overview of the Occupational Safety and Health Ordinance				
73	<b>Business applications of individual life and disability insurance</b>	✓			✓
	a) Key-man insurance b) Business continuation insurance	0-2			##

## F. Estate Planning

Topic no.	Topic	Paper 1	Paper 2	Paper 3	Paper 4
		No. of Multiple Choice Question(s)			
74	<b>Estate planning overview</b>		✓		✓
	a) The estate planning process: identifying estate planning needs and strategies				
	b) Estate planning versus will making		2-4		##
	c) Valuing the estate d) The financial planner's role in the estate planning process				
75	<b>Estate planning pitfalls and weaknesses</b>		✓		✓
	a) Overview of estate planning pitfalls and weaknesses		0-2		##
76	<b>Methods for property transfer at death</b>		✓		✓
	a) Wills: types and contents				
	b) Overview of the Wills Ordinance				
	c) Avoiding will contests		3-5		##
	d) Advance medical directives e) Agreements: marital, business and others				
77	<b>Estate planning documents</b>		✓		✓
	a) Overview of estate planning documents		0-2		##
78	<b>Probate</b>		✓		✓
	a) The probate process: overview of the Probate and Administration Ordinance				
	b) Testate succession				
	c) Intestate succession: overview of Intestates' Estates Ordinance		3-5		##
	d) Assets subject to probate				
	e) Advantages and disadvantages of probate f) Techniques of avoiding probate				
79	<b>Liquidity planning</b>		✓		✓
	a) Valuing the assets b) Sale of assets		0-2		##
80	<b>Powers of appointment in estate planning</b>		✓		✓
	a) Overview of the Powers of Attorney Ordinance				
	b) Use and purpose				
	c) General and special powers		2-4		##
	d) Role of the executor e) Overview of the Enduring Powers of Attorney Ordinance				
81	<b>Features of trusts</b>		✓		✓
	a) Classification and different features of different trusts				
	b) Parties to a trust				
	c) Rule against perpetuities		1-3		##
	d) Trusts versus wills e) Overview of the Trustee Ordinance				
82	<b>Taxation of trusts and estates</b>		✓		✓
	a) Overview of taxation of trusts and estates		0-1		##
83	<b>Life insurance for estate planning</b>		✓		✓
	a) Use of different types of life insurance in estate planning and their advantages and disadvantages b) Ownership, beneficiary designations and settlement options		1-3		##
84	<b>Gifts and charitable contributions</b>		✓		✓
	a) Definition of gifts and charitable contributions b) Consideration for transfers and contributions		1-3		##
85	<b>Intra-family business and property transfers</b>		✓		✓
	a) Estate planning for family business				
	b) Forms of family business ownerships				
	c) Calculating the value of the family business		0-2		##
	d) Overview of the Transfer of Business (Protection of Creditors) Ordinance e) Forms of property transfers: joint tenancy and tenancy-in-common				

Topic no.	Topic	Paper 1	Paper 2	Paper 3	Paper 4
		No. of Multiple Choice Question(s)			
86	<b>Planning for incapacity</b>		✓		✓
	a) Definition of incapacity/disability				
	b) Care of client's dependants and property		0-2		##
	c) Disability insurance				
	d) Long-term care insurance				
	e) Social security disability benefits				
87	<b>Special topics in estate planning</b>		✓		✓
	a) Linking retirement planning with estate planning		0-2		##
	b) Recent developments in estate planning				

# APPENDIX 2 : Reference Materials

## Appendix 2A : Paper 1 - Insurance and Retirement Planning

### Financial Planning Process/ General Principles

#### Reference Readings

- Bodie, Kane and Marcus, *Essentials of Investments*, McGraw-Hill/Irwin, IFPHK edition  
Bodie and Merton, *Finance*, McGraw-Hill, Ch.4 & 5  
*Code of Ethics and Professional Responsibility*, IFPHK  
*Financial Planning Practice Standards*, Financial Planning Standards Board  
*Fundamentals of Risk and Insurance*, John Wiley & Sons, IFPHK edition  
Cheng, *Fundamentals of Financial Planning*, McGraw-Hill, IFPHK edition  
Ernst & Young's Personal Financial Planning Guide: *Take Control of Your Future and Unlock the Door to Financial Security*, John Wiley & Sons, latest edition.  
Gitman and Joehnk, *Personal Financial Planning*, Dryden Press, latest edition.  
Bear and Maldonado-Bear, *Free Markets, Finance, Ethics, and Law*, Prentice Hall, latest edition.  
George, *Business Ethics*, Prentice Hall, latest edition.  
*Employee Benefits and Estate Planning*, John Wiley & Sons, IFPHK edition.  
*IFPHK Practice Guide for Financial Planners*, IFPHK, latest edition.  
*IFPHK Casebook – SCMP/IFPHK Financial Planner Awards 2005 and 2006*, IFPHK, latest edition.  
*IFPHK Sample Questions Booklet (Paper 1, Paper 2 and Paper 3)*

#### Useful Information on Website

- Relevant sections on regulatory framework, licensing requirements, codes and guidelines
- |               |  |
|---------------|--|
| HKEX website  | <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>             |
| HKSFC website | <a href="http://www.sfc.hk">www.sfc.hk</a>                       |
| HKMA website  | <a href="http://www.info.gov.hk/hkma/">www.info.gov.hk/hkma/</a> |
| OCI website   | <a href="http://www.info.gov.hk/oci/">www.info.gov.hk/oci/</a>   |
| IFPHK website | <a href="http://www.ifphk.org">www.ifphk.org</a>                 |
| MPFA website  | <a href="http://www.mpfahk.org">www.mpfahk.org</a>               |

### Insurance Policies and Strategies

#### Reference Readings

- Fundamentals of Risk and Insurance*, John Wiley & Sons, IFPHK edition  
Rejda, *Principles of Risk Management and Insurance*, Addison Wesley, latest edition  
Vaughan, *Risk Management*, John Wiley & Sons Inc., latest edition  
Williams, Smith, and Young, *Risk Management and Insurance*, Irwin/McGraw-Hill, latest edition  
*Employee Benefits and Estate Planning*, John Wiley & Sons, IFPHK edition.

*IIQAS Study Notes*, Office of the Commissioner of Insurance, latest edition.

- *Part I - Principles and Practice of Insurance Examination*
- *Part II(a) - General Insurance Examination*
- *Part II(b) - Long Term Insurance*
- *Part II(c) - Investment-linked Long Term Insurance*

## **Government Plans/ Retirement Plans/ Employee Benefits**

### ***Reference Readings***

*Fundamentals of Risk and Insurance*, John Wiley & Sons, IFPHK edition.

*Employee Benefits and Estate Planning*, John Wiley & Sons, IFPHK edition.

Rejda, *Principles of Risk Management and Insurance*, Addison Wesley, latest edition

Beam & McFadden, *Employee Benefits*, Dearborn Financial Publishing, Inc., latest edition

Mandatory Provident Fund Schemes Authority, *Mandatory Provident Fund Schemes Examination Study Notes*,  
Hong Kong, latest edition

Employees Stock Ownership Plans, <http://www.nceo.org/library/esops.html>

Jonathan Watkin and Carl Redondo, *Retirement Savings Handbook 2009*.

## Appendix 2B : Paper 2 - Tax and Estate Planning

### Financial Planning Process/ General Principles

#### Reference Readings

Bodie, Kane and Marcus, *Essentials of Investments*, Irwin/McGraw-Hill, IFPHK edition  
Bodie and Merton, *Finance*, McGraw-Hill, Ch.4 & 5  
*Code of Ethics and Professional Responsibility*, IFPHK  
*Financial Planning Practice Standards*, Financial Planning Standards Board  
Cheng, *Fundamentals of Financial Planning*, McGraw-Hill, IFPHK edition  
Ernst & Young's Personal Financial Planning Guide: *Take Control of Your Future and Unlock the Door to Financial Security*, John Wiley & Sons, latest edition.  
Gitman and Joehnk, *Personal Financial Planning*, Dryden Press, latest edition.  
Bear and Maldonado-Bear, *Free Markets, Finance, Ethics, and Law*, Prentice Hall, latest edition.  
George, *Business Ethics*, Prentice Hall, latest edition.  
*Employee Benefits and Estate Planning*, John Wiley & Sons, IFPHK edition.  
*IFPHK Practice Guide for Financial Planners*, IFPHK, latest edition.  
*IFPHK Casebook – SCMP/IFPHK Financial Planner Awards 2005 and 2006*, IFPHK, latest edition.  
*IFPHK Sample Questions Booklet (Paper 1, Paper 2 and Paper 3)*

#### Useful Information on Website

Relevant sections on regulatory framework, licensing requirements, codes and guidelines  
HKEX website           www.hkex.com.hk  
HKSFCA website       www.sfc.hk  
HKMA website         www.info.gov.hk/hkma/  
OCI website           www.info.gov.hk/oci/  
IFPHK website         www.ifphk.org  
MPFA website         www.mpfahk.org

### Tax Planning Considerations/ Tax Computations/ Tax Planning Strategies

#### Reference Readings

Ayesha Macpherson and Garry Laird, *Hong Kong Taxation - Law & Practice*, The Chinese University Press, latest edition (with supplementary CD-Rom from IFPHK)(see below table)  
Lee and Ho, *Advanced Taxation in Hong Kong*, Longman, latest edition  
*Guide to Completion of Tax Return*, Inland Revenue Department  
Ho, Patrick, *Hong Kong Taxation and Tax Planning*, Pilot Publishing Co. Ltd. latest edition.  
*Inland Revenue Ordinance*, Chapter 112 of the Laws of Hong Kong  
*Inland Revenue Rules*, Chapter 112A of the Laws of Hong Kong  
*Stamp Duty Ordinance*, Chapter 117 of the Laws of Hong Kong  
CCH, *Hong Kong Master Tax Guide*, latest edition.

Note: As the main reference reading for Module 4 Macpherson and Laird, "*Hong Kong Taxation - Law & Practice*" (The Chinese University Press) is a detailed tax practitioners' manual, chapter references have been provided in the following table to give general guidance to candidates for examination revision purposes. Candidates should also refer to the IFPHK Supplementary Notes (CD-ROM) included with "*Hong Kong Taxation - Law & Practice*", as well as other reference readings. While the recitation of sections of tax legislation and case law is not required in the examination, candidates are expected to apply their knowledge and understanding.

Topic no.	Topic	Hong Kong Taxation – Law & Practice
50	Ethical considerations in tax planning	Ch.1 (not direct reference) <sup>Note 1</sup>
51	Income tax fundamentals	Ch.3
52	Tax compliance matters	Ch.7 and Ch.8
53	Taxation terminology	Ch.1
54	International tax planning	Ch.11 (in general) <sup>Note 2</sup>
55	Tax calculations and special rules	Ch.1 (Section 1.5), Ch.2 (except Section 2.7), Ch.3 (Sections 3.6, 3.7, 3.8.3), Ch.4 (Section 4.6) and Ch.12 (except Sections 12.8, 12.9) <sup>Note 3</sup>
56	Tax accounting	Ch.4 (Section 4.6)

Topic no.	Topic	Hong Kong Taxation – Law & Practice
57	Tax characteristics of business forms	Ch.4 and Ch.5 (in general)
58	Tax-related write-off concepts	Ch.4 (Section 4.5.8) and Ch.5 (in general)
59	Tax management techniques	Ch.3 (Section 3.8.3), Ch.6, Ch.9 (Section 9.4) and Ch.10(Section 10.5)
60	Non-taxable transactions	Ch.10 (Sections 10.1 to 10.3)
61	Interest and penalty taxes and other charges	Ch.7 (Section 7.4) and Ch.9 (in general)
62	Tax Pitfalls	Ch.10 (Section 10.4)

Note 1: Candidates may also wish to refer to Ch.24 in the latest edition of “*Advanced Taxation in Hong Kong*”, Lee and Ho

Note 2: Candidates may also wish to refer to Ch.24 and Ch.25 in the latest edition of “*Advanced Taxation in Hong Kong*”, Lee and Ho

Note 3: For other taxes administered by IRD, see generally: <http://www.ird.gov.hk/eng/tax/index.htm>

### **References from website**

Departmental Interpretation & Practice Note (DIPN), <http://www.ird.gov.hk/eng/ppr/dip.htm>

Stamp Office Interpretation & Practice Note (SOIPN), <http://www.ird.gov.hk/eng/ppr/dip.htm>

Inland Revenue Board of Review Decisions, <http://www.info.gov.hk/bor/eng/decision.htm>

Hong Kong Tax Cases, <http://legalref.judiciary.gov.hk>

Department of Justice, HKSAR, <http://www.doj.gov.hk>

## **Estate Planning Benefits and Strategies**

### **Reference Readings**

*Employee Benefits and Estate Planning*, John Wiley & Sons, IFPHK edition.

Crash Course in Wills & Trusts, <http://http://www.mtpalermo.com/index.htm>

Shenkman, *Estate Planning: Step-By-Step (Barron's Legal-Ease Series)*, latest edition

*Wills Ordinance*, Chapter 30 of the Laws of Hong Kong

*Intestates' Estates Ordinance*, Chapter 73 of the Laws of Hong Kong

## **Appendix 2C : Paper 3 - Investment Planning**

### **Financial Planning Process/ General Principles**

#### **Reference Readings**

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

Bodie and Merton, *Finance*, McGraw-Hill, Ch.4 & 5

*Code of Ethics and Professional Responsibility*, IFPHK

*Financial Planning Practice Standards*, Financial Planning Standards Board

Cheng, *Fundamentals of Financial Planning*, McGraw-Hill, IFPHK edition

Ernst & Young's Personal Financial Planning Guide: *Take Control of Your Future and Unlock the Door to*

*Financial Security*, John Wiley & Sons, latest edition.

Gitman and Joehnk, *Personal Financial Planning*, Dryden Press, latest edition.

Bear and Maldonado-Bear, *Free Markets, Finance, Ethics, and Law*, Prentice Hall, latest edition.

George, *Business Ethics*, Prentice Hall, latest edition.

*IFPHK Practice Guide for Financial Planners*, IFPHK, latest edition.

*IFPHK Casebook – SCMP/IFPHK Financial Planner Awards 2005 and 2006*, IFPHK, latest edition.

*IFPHK Sample Questions Booklet (Paper 1, Paper 2 and Paper 3)*

#### **Useful Information on Website**

Relevant sections on regulatory framework, licensing requirements, codes and guidelines

HKEX website [www.hkex.com.hk](http://www.hkex.com.hk)

HKSFC website [www.sfc.hk](http://www.sfc.hk)

HKMA website [www.info.gov.hk/hkma/](http://www.info.gov.hk/hkma/)

OCI website [www.info.gov.hk/oci/](http://www.info.gov.hk/oci/)

IFPHK website [www.ifphk.org](http://www.ifphk.org)

MPFA website [www.mpfahk.org](http://www.mpfahk.org)

## Risk Management/ Investment Vehicles

### Reference Readings

Bodie, Kane and Marcus, *Essentials of Investments*, Irwin/McGraw-Hill, IFPHK edition  
McGuinness, *A Guide to the Equity Market of Hong Kong*, Oxford University Press, latest edition  
*Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong*

### References from websites

HKEX	<a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
HKSFC	<a href="http://www.sfc.hk">www.sfc.hk</a>
HKMA	<a href="http://www.info.gov.hk/hkma/">www.info.gov.hk/hkma/</a>
U.S. Securities and Exchange Commission	<a href="http://www.sec.gov">www.sec.gov</a>
U.S. Commodity Futures Trading Commission	<a href="http://www.cftc.gov">www.cftc.gov</a>
Federal Reserve	<a href="http://www.federalreserve.gov">www.federalreserve.gov</a>

## Investment Theory and Strategies

### Reference Readings

Baker, *International Finance: Management, Markets and Institutions*, Prentice Hall, latest edition.  
Bodie, Kane and Marcus, *Essentials of Investments*, Irwin/McGraw-Hill, IFPHK edition  
Damodaran, *Investment Valuation : Tools and Techniques for Determining the Value of Any Asset*, John Wiley & Sons, latest edition.  
Eiteman, Stonehill, and Moffett, *Multinational Business Finance*, Addison Wesley, latest edition.

## Appendix 2D : Paper 4 - Financial Planning Practice

All references for Papers 1-3.

*IFPHK Sample Questions Booklet (Paper 4)*.

*Advanced Financial Planning - Case Analysis and Suggested Approach*, IFPHK.

# APPENDIX 3 : Sample Examination Questions of United States CFP Board

## Appendix 3A : Paper 1 - Insurance and Retirement Planning

### Question 1

A Certified Financial Planner licensee obtains a new client. During the fact-finding process, the CFP licensee discovers that the client's previous advisor, also a CFP licensee, had filed several tax forms incorrectly with computational errors. The CFP licensee's initial duty to the client should be which of the following?

- A. contacting the other financial planner
- B. contacting the CFP Board
- C. contacting the IRS
- D. informing the client of the situation

### Question 2

The maximum retirement benefit a participant in a target-benefit plan can actually receive depends on the

- A. initial actuarial computation according to the plan's formula.
- B. amount of contributions determined in reference to the targeted benefit.
- C. maximum annual additional amounts.
- D. value of the participant's account at retirement.
- E. Present value of the actuarially determined target benefit.

### Question 3

The best life insurance policy for the payment of federal estate taxes for a 50-year-old couple with illiquid assets is

- A. an individual whole-life policy on each spouse on a cross-ownership basis.
- B. a joint first-to-die life insurance policy owned jointly.
- C. a joint last-to-die life insurance policy owned by the spouse with the larger estate.
- D. a joint and last-to-die life insurance policy owned by the spouse with the smaller estate.
- E. a joint and last-to-die life insurance policy owned by an irrevocable trust.

### Question 4

A successful architect wants to purchase disability income insurance. She is concerned about becoming totally disabled, but also about a reduction in income if she is obliged to reduce her workload because of a less-than-total disability. To satisfy these concerns, which of the following should be included in her disability income coverage?

- A. residual disability benefits
- B. a change-of-occupation provision
- C. dismemberment benefits
- D. a relation of earnings-to-insurance provision

## Appendix 3B : Paper 2 - Tax and Estate Planning

### Question 1

John and Mary Meyers have a combined estate of \$900,000 including a \$250,000 life insurance policy on John's life. The Meyers have two children. John prefers Mary receive the income from the policy if he dies but wants the proceeds to go to his children after her subsequent death. John and Mary have recently executed wills that contain unified credit trusts. What is the best beneficiary designation for John's life insurance policy?

- A. his wife Mary
- B. his two children
- C. a charitable remainder trust
- D. his testamentary trust

### Question 2

Sam, age 95, transferred \$600,000 of common stock to an irrevocable trust. Sam provides that the income from the trust is payable to himself for life, and upon his death, the trust corpus will pass to his sister. The trust prohibits Sam from changing the trust beneficiaries. If Sam dies 1 year from now when the value of the trust assets is \$650,000, how much of the trust will be included in Sam's gross estate?

- A. \$0, because Sam cannot change the beneficiaries
- B. \$25,000; because of Sam's unified credit
- C. \$650,000; because Sam has the right to the trust's income for life
- D. \$600,000; because Sam created an irrevocable trust

### Question 3

You receive a phone call from an individual you have not spoken with previously. The caller is excited, just having heard that a new mutual fund is positioned to deliver large gains in the coming year. The caller wishes to purchase shares of the fund through you. Keeping in mind stages of the overall personal financial planning process, which of the following questions that address the first two stages of the financial planning process should you ask the caller?

- (1) What are your goals for this investment?
  - (2) What other investments do you have?
  - (3) What is your date of birth?
  - (4) Do you want your dividends reinvested?
- A. (1) and (3) only
  - B. (2) and (4) only
  - C. (1), (2), and (3) only
  - D. (1), (2), and (4) only

### Question 4

If a client's primary goal in making lifetime gifts to his children is to lower his estate taxes, he should make gifts of property that

- A. are expected to depreciate significantly in the future.
- B. are expected to appreciate significantly in the future.
- C. have already depreciated significantly.
- D. have already appreciated significantly.

## Appendix 3C : Paper 3 - Investment Planning

### Question 1

Which one of the following factors would be the strongest indication that interest rates might rise?

- A. selling of dollar-denominated assets by foreign investors
- B. decreasing United States government deficits
- C. decreasing rates of inflation
- D. weak credit demand by the private sector of the United States economy

### Question 2

Jasmine has a large paper profit in her Amalgamated Corporation shares, currently at 46. She is happy with the stock but realized that a good thing CANNOT go on forever. If she is willing to sell at 50, what strategy could you recommend to her?

- A. Buy \$50 call options.
- B. Sell \$50 call options.
- C. Buy \$50 put options.
- D. Sell \$50 put options.

### Question 3

Given the following diversified mutual fund performance data, which fund had the best risk-adjusted performance if the risk-free rate of return is 5.7%?

Fund	Average Annual Return	Standard Deviation of Annual Return	Beta
A	.0782	.0760	0.950
B	.1287	.1575	1.250
C	.1034	.1874	0.857
D	.0750	.0810	0.300

- A. Fund B because the annual return is highest
- B. Fund A because the standard deviation is lowest
- C. Fund C because the Sharpe ratio is lowest
- D. Fund D because the Treynor ratio is highest
- E. Fund A because the Treynor ratio is lowest

### Question 4

A client provides a current personal balance sheet to the financial planner during the initial data gathering phase of the financial planning process. This financial statement will enable the financial planner to gain an understanding of all of the following except the

- A. diversification of the client's assets.
- B. size of the client's net cash flow.
- C. client's liquidity position.
- D. client's use of debt.

## **Appendix 3D : Paper 4 - Financial Planning Practice**

Please refer to the cases used previously in the CFP® Certification Examination in the United States and released by the Certified Financial Planner Board of Standards Inc. which can be accessed from the weblink:  
<http://www.cfp.net/become/examquestions.asp>

# APPENDIX 4

## Appendix 4: Sample of Information to be Provided in Examination Paper - Allowances and Tax Rate Table (for the year of assessment 2011/12 onwards)#

### Allowances and Tax Rate Table

<u>Year of Assessment</u>	<u>2008/09 to 2010/11</u>	<u>2011/12 onwards</u>
	\$	\$
Basic Allowance	108,000	108,000
Married Person's Allowance	216,000	216,000
Child Allowance (For each dependant)		
The 1 <sup>st</sup> to 9 <sup>th</sup> child	50,000	60,000
For each child born during the year, the Child Allowance will be increased by	50,000	60,000
Dependent Brother/Sister Allowance (For each dependant)	30,000	30,000
Dependent Parent/Grandparent Allowance (For each dependant)		
Qualified parent/grandparent	30,000	36,000
Parent/grandparent aged 55 or above but below 60	15,000	18,000
Additional Dependent Parent/Grandparent Allowance (For each dependant)		
Qualified parent/grandparent	30,000	36,000
Parent/grandparent aged 55 or above but below 60	15,000	18,000
Single Parent Allowance	108,000	108,000
Disabled Dependand Allowance (For each dependant)	60,000	60,000

<b>2. Table Showing Tax on Net Chargeable Income</b>			
<u>Year of Assessment</u>	<u>2007/08 onwards</u>		
	\$		\$
	Net Chargeable Income	Rate	Tax
On the First	40,000	2%	800
On the Next	40,000	7%	2,800
	80,000		3,600
On the Next	40,000	12%	4,800
	120,000		8,400
Remainder		17%	
Net Chargeable Income = Income - Deductions - Allowances			

<b>3. Standard Rates of Taxes</b>		
<u>Year of Assessment</u>	<u>Salaries Tax Standard Rate*</u>	<u>Property Tax Standard Rate</u>
2004/05 to 2007/08	16%	16%
2008/09 onwards	15%	15%

\* Tax payable is calculated at progressive rates on your net chargeable income or at standard rate on your net income (before deduction of the allowances), whichever is lower.

- For 2006/07, 50% of the final tax payable under salaries tax and tax under personal assessment would be waived, subject to a ceiling of \$15,000 per case.
- For 2007/08, 75% of the final tax payable under salaries tax and tax under personal assessment would be waived, subject to a ceiling of \$25,000 per case.
- For 2008/09, 100% of the final tax payable under salaries tax and tax under personal assessment would be waived, subject to a ceiling of \$8,000 per case.
- For 2009/10, 75% of the final tax payable under salaries tax and tax under personal assessment would be waived, subject to a ceiling of \$6,000 per case.
- For 2010/11, 75% of the final tax payable under salaries tax and tax under personal assessment would be waived, subject to a ceiling of \$6,000 per case.

#This is a sample reference only, candidates please refer to [www.ird.gov.hk/eng/tax/ind.htm](http://www.ird.gov.hk/eng/tax/ind.htm) for the most up-to-date information.

## Appendix 5: CFP<sup>CM</sup> Certification Examination Regulations

### I. Misconduct

A candidate may be subject to disciplinary sanctions, including but not limited to being disqualified from the examination and/or being permanently barred from taking the IFPHK CFP<sup>CM</sup> Certification Examination if he or she:

1. cheats or attempts to cheat in whatever manner;
2. improperly obtains knowledge of an examination book prior to the examination;
3. copies from notes, books, electronic or other devices not allowed to be brought into the examination hall, or from the work of another person during the examination;
4. takes the examination on behalf of or in the name of another person or allows another person to take the examination on his/her behalf (Note: Impersonation is a criminal offence liable to prosecution);
5. communicates or attempts to communicate with any person other than invigilators inside or outside the examination hall during the examination in any manner whatsoever;
6. takes away, or attempts to take away from the examination hall any examination materials such as the examination book or any pages from it, the answer sheets or any other examination materials including examination questions in any form whatsoever;
7. reveals specific questions in the examination to parties not authorized by the IFPHK to receive such information;
8. possesses any non-allowable items during the examination;
9. does anything which causes unnecessary distraction to other candidates or disruption to the examination;
10. fails to follow the General Rules or the instruction of the Presiding Officer or invigilators in the examination.

Note: CFP Certification Examination-related disciplinary sanction(s) on a candidate may be considered by relevant department(s) of IFPHK in processing his/her CFP Certification application, if any, in the future.

### II. General Rules

1. Only candidates with valid proof of identity, namely, i) the admission card with ii) a current and valid photo identification card issued by the government (or a valid passport) will be admitted to the examination hall.
2. Only Allowable Items (see "List of Allowable Items") are allowed in the examination hall.
3. Calculators brought into the examination hall must be on the list of calculators approved by IFPHK (see "List of Authorized Calculators"). Candidates must clear all the memory of their programmable calculators prior to entering the examination hall.
4. All items brought into the examination hall are subject to inspection by invigilators.
5. Candidates are not allowed to deface or write on the Admission Card before the examination or during the examination.
6. Candidates must sit according to their designated seat numbers and remain seated quietly at all times unless otherwise approved/instructed by an invigilator.
7. Once admitted into the examination hall, candidates must follow strictly the instructions of the invigilators until dismissed. In general, once admitted, candidates may only leave the examination hall after the start of the examination within the permitted times.
8. Only essential stationery as defined in the "List of Allowable Items", authorized calculator (without cover), admission card and identity card are allowed to be placed on candidates' desk. These items must remain on the desk and must be clearly visible. All other Allowable Items brought into the examination hall must be placed on the floor beneath candidates' chairs.
9. All examination materials are the property of IFPHK. Candidates must not damage any examination materials and/or remove them from the examination hall.
10. No candidate will be admitted to the examination hall 30 minutes after the scheduled starting time of the examination.
11. No candidate will be permitted to leave the examination hall during the first 60 minutes after the start of the examination and during the final 15 minutes before the end of the examination.
12. Candidates must not open an examination book or start working on the examination before being instructed to do so. Candidates must not continue working on the examination after being told to put pens down at the end of the examination.
13. Only answers marked on the answer sheet with an HB pencil will be scored. Multiple responses to a single question will not be scored.

14. No eating, gum-chewing or smoking is allowed at any time in the examination hall.
15. Candidates must not give/receive assistance to/from person(s) other than the invigilator(s) during the examination.
16. Candidates must sign the following pledge on the cover of the examination book:  
*I confirm that: (a) I have read, understood and agreed to be bound by the Exam Regulations as set out by IFPHK; (b) I acknowledge IFPHK's copyright in all examination materials and will not reproduce them in any form whatsoever; and (c) I will not give/receive any assistance to/from person(s) other than the invigilator(s) during the examination.*
17. Candidates must read and understand the Examination Regulations before examination.
18. Candidates must read and understand IFPHK examination-related policies before examination.

### List of Authorized Calculators

Brand	Model
Casio	: FC100 / FC200 / FC100V / FC200V
Hewlett Packard	: 10B / 10BII / 12C / 12C Platinum
Texas Instrument	: BAII Plus / BAII Plus Professional

### List of Allowable Items

- Identity card/passport
- admission card (does not include IFPHK letter or envelope)
- essential stationery: pencil, pencil sharpener, rubber, correction fluid, ruler, pen and highlighter. Items not listed are deemed to be non-essential stationery. Non-essential stationery is not allowed and it includes but is not limited to: any type of boxes, cases, non-transparent bags, correction tapes, paper or similar material of any sort (scratch paper, note pads, note strips (whether adhesive or not), and items of essential stationery that contain any of the foregoing).
- authorized calculators (without cover) and calculator batteries
- wallet (money purse)
- noiseless wrist-watches
- eyeglasses/plain eyeglasses cleaning cloth without marking or pattern
- earplugs
- clear and colourless plain drinking water (in a transparent bottle)
- tissues
- necessary medicines\*
- small colourless transparent bag (not exceeding the size of 30cm x 21cm)

Remarks: Candidates are NOT allowed to bring mobile phones into the examination hall.

\* To avoid administrative issues or disputes during the examination and to facilitate the making of appropriate arrangements (if necessary), candidates who need to bring medicines such as tablets, capsules, lozenges, linctus, liquids, sprays, inhalers and the like into the examination hall should report to the Help Desk as soon as possible and before entering the examination hall for administrative processing. Candidates who need to bring any other types of medically-necessary items or things are strongly advised to notify IFPHK well before the exam and as early as possible on the nature of such items required. Please also refer to IFPHK's non-discrimination policy in section VII of the examination handbook.

### Information on typhoon and black rainstorm signals

1. If the typhoon signal No.8 or black rainstorm signal is still hoisted after 8:00 a.m., the morning section of the examination on that day will be rescheduled.
2. If the typhoon signal No.8 or black rainstorm signal is still hoisted after 12:30 p.m., the afternoon section of the examination on that day will be rescheduled.
3. If a typhoon signal No.8 or black rainstorm signal is hoisted while the examination is in progress, the examination will continue until the scheduled time is up.
4. On the scheduled day of the examination, candidates should pay attention to public announcements if they have any doubts regarding the examination arrangement.

5. If an examination is rescheduled due to typhoon and/or rainstorm, IFPHK will notify candidates of the new date and time of the examination within 1 week of the original scheduled examination date. Candidates in such case are not required to re-register. Applications for refund and/or transfer of the examination fee(s) will NOT be accepted.
6. IFPHK reserves the right to postpone and/or cancel an examination at its own discretion under extraordinary circumstances for the purpose of protecting the safety of candidates and/or the integrity of the examination.

## Explanatory Notes to Examination Regulations

The purpose of the following Explanatory Notes is to help candidates to understand the Examination Regulations of the IFPHK CFP Certification Examination:

1. Candidates must ensure that they attend the enrolled examination at the scheduled examination time and venue.
2. Only items on the "List of Allowable Items" are allowed in the examination hall. It is candidates' responsibility to ensure that they have such Allowable Items as they may need in the examination.
3. The "List of Allowable Items" and "List of Authorized Calculators" will be updated by IFPHK from time to time. Candidates are advised to download the up-to-date version of the above lists from IFPHK website ([www.ifphk.org](http://www.ifphk.org)).
4. Passports brought into the examination hall are subject to inspection by invigilators. Candidates should make sure that no examination-related information is printed/written on the passport. Candidates must not flip open the passport throughout the examination.
5. All items brought into the examination hall are subject to inspection by invigilators. Invigilators have the right to remove Non-allowable Items from candidates and to inspect and/or make a record of such items. Candidates will not have access to such items during the examination. Non-allowable Items refer to any item not listed under the "List of Allowable Items". Examples of Non-allowable Items include: mobile phones, any bag other than the small transparent bag under List of Allowable Items, food, paper of any sort (including but not limited to scratch paper, note pads, note strips whether adhesive or not, or IFPHK letter or envelope), clocks, calculators other than authorized calculators, detachable calculator covers, textbooks, notes, dictionaries, electronic diaries, personal data assistants, cameras, computers, listening devices, recording devices, photographic devices, any devices which produce any sound or noise.
6. Possession of and/or the use of unauthorized items is a violation of IFPHK's Examination Regulations and will result in disciplinary actions including disqualification and being barred from taking the CFP Certification Examination.
7. Candidates are strongly advised to leave their mobile phones and valuable personal belongings at home. An area away from examination hall, if available, will be designated for candidates' personal belongings; however IFPHK will NOT be responsible for the loss, theft or damage of personal property left in that area.
8. Failure by the invigilators to detect an unauthorized item prior to the start of the examination does not imply that the item is an allowable item or that the candidate who possesses the item will not be subject to disciplinary actions.
9. No timing device will be provided in the examination hall, candidates should keep the time using their own noiseless wrist-watches. The Presiding Officer will make announcements on the official starting and ending times of the examination.
10. Announcements made by the Presiding Officer during the examination will be in English and supplemented in Cantonese.
11. No scratch paper will be provided during the examination; scratch work and calculations should be done on the examination book.
12. All examination materials, including but not limited to examination books and answer sheets, are the property of IFPHK. Candidates must not tear off any page from the examination book or remove any examination material from the examination hall. By taking the examination, candidates are also deemed to acknowledge IFPHK's intellectual property rights in all examination materials and should not copy and/or reproduce and/or create derivative works from them. IFPHK reserves the right to take legal action against any candidate who removes any examination material and/or reproduces any part of it in any manner or form whatsoever.
13. To protect the integrity of examination questions, candidates are prohibited at all times from revealing the detailed content of examination questions to avoid misrepresentation to parties not involved in the examination. IFPHK reserves the right to take appropriate action against persons who infringe the copyright and/or other intellectual property rights in the examination questions, such actions include but are not limited to being barred from taking the examination, or any other appropriate civil and/or criminal legal action.

14. Candidates are recommended to report to IFPHK if they are requested by any unauthorized parties to reveal specific examination questions (as opposed to a general impression of the examination).
15. Candidates will not receive any assistance from invigilators with regard to examination questions, the borrowing of stationery/calculators or the repairing of such items. Since candidates are, once they have been admitted into the examination hall, generally not allowed to leave, they must ensure that they have the Allowable Items that they might need for the examination before they enter the examination hall.
16. Should any discrepancy and/or inconsistency exist between the Examination Regulations and the Explanatory Notes, the Examination Regulations shall prevail.
17. Should any discrepancy and/or inconsistency exist between the English and Chinese versions of the Examination Regulations, the English version shall prevail.

## Appendix 6: Notice relating to the Personal Data (Privacy) Ordinance (“the Ordinance”)

This notice is to help candidates understand their obligations and rights in respect of the supply of their personal data to IFPHK, and the way in which IFPHK may use or handle such data.

- 1 Candidates are required to keep IFPHK informed of any changes in their personal data once they enrolled as candidates for an examination, and until such time as they have received notification of their the examination result.
- 2 IFPHK will use supplied personal data for the following purposes:
  - i. administering the examination;
  - ii. delivering information about the examination;
  - iii. releasing information to the relevant third parties for the conduct and/or administration of the examination;
  - iv. maintaining candidates’ record;
  - v. distributing examination results to candidates concerned;
  - vi. informing candidates of any courses, examinations, products or services which IFPHK believes may be of interest to them;
  - vii. research or statistical analysis; and
  - viii. any other related purposes.
- 3 IFPHK will keep the personal data of candidates confidential. Nevertheless, IFPHK may, as permitted by law, compare, match, transfer or exchange such data with related data already in IFPHK’s possession or obtained at any time.
- 4 Candidates have the right to request access to or correction of any personal data provided as per the manner and limitations prescribed under the Ordinance. In this connection, the papers and documents used by candidates in an examination will be confidentially destroyed immediately after the purposes for which they are held have been fulfilled.
- 5 As permitted under the Ordinance, IFPHK has the right to charge a reasonable fee for the processing of any data access request.
- 6 Candidates who wish to make a data access/correction request, or to modify their consent with regard to personal data supplied, or to enquire about the handling of personal data by IPFHK may write to the Operations Department of IFPHK.