SUMMARY

The objective of this syllabus is to outline the required actions and processes to enable candidates to create a robust, professional grade financial plan that:

- is designed to align with client objectives
- is clearly set out, concise and user friendly, taking into account the client’s level of knowledge and experience
- explicitly states how each proposed solution links to each individual problem/objective
- contains all relevant client data
- provides an holistic solution
- illustrates the ramifications of individual and collective courses of action and any trade-offs that may become necessary
- clearly describes and justifies qualifications, caveats and assumptions
- illustrates a logical sequence of order
- establishes an effective review mechanism

SYLLABUS STRUCTURE

The syllabus is divided into learning outcomes.

ASSESSMENT STRUCTURE

Candidates are assessed on their ability to prepare and present a financial plan case study. The assessment process is laid out in the Level 7 Financial Plan assessment candidate guidance.

CANDIDATE UPDATE

Candidates are reminded to check the ‘Candidate Update’ area of the Institute’s website (https://www.cisi.org/cisiweb2/cisi-website/study-with-us/candidate-update) on a regular basis for updates that could affect their examination as a result of industry change.
LEVEL 7 FINANCIAL PLAN CASE STUDY SYLLABUS

LEARNING OUTCOME 01 – Financial management

When composing a financial plan, the candidate should:

1.1 critically analyse client information in order to develop strategies and use techniques to optimise short and mid-term cash flow, prioritise budgeting, and manage assets and liabilities

1.2 evaluate and synthesise quantitative and qualitative information relating to personal financial statements, cash flow, debt, asset acquisition, liabilities, education planning and emergency fund provision.

1.3 determine the client’s propensity to save, their expenditure patterns and attitude towards debt

1.4 qualify the reliability of inherent assumptions and the accuracy of client expectations

1.5 analyse potential opportunities and constraints and assess information to develop strategies

1.6 determine whether the client is living within their financial means

1.7 determine and stress test emergency fund provision

1.8 assess the impact of potential changes in income and expenditure in a range of scenarios

1.9 distinguish between a range of financing alternatives

1.10 collate information to develop financial management strategies

1.11 distinguish between the advantages and disadvantages of a range of strategic alternatives

1.12 make financial management recommendations based on qualified strategy

1.13 clearly illustrate a logical sequence of order
LEARNING OUTCOME 02 – Applied tax planning

When composing a financial plan, the candidate should:

2.1 collate and evaluate the information necessary to establish the client’s tax position
2.2 identify the taxable nature of assets and liabilities
2.3 critically analyse the tax structure of client accounts
2.4 review relevant tax documents
2.5 identify current, deferred and future tax liabilities
2.6 evaluate the client’s tax position and attitude towards taxation
2.7 analyse existing and potential tax strategies and structures for suitability
2.8 assess the financial impact of tax planning alternatives
2.9 synthesise information to develop tax planning strategies
2.10 distinguish between the advantages and disadvantages of a range of tax planning strategies
2.11 prioritise action steps to assist the client in implementing tax planning recommendations

LEARNING OUTCOME 03 – Asset management

When composing a financial plan, the candidate should:

3.1 clarify the client’s financial capability and level of understanding
3.2 clarify any ethical or religious factors that might determine the client’s preferences
3.3 identify and record individual and collective client aspirations
3.4 determine mutually agreed objectives
3.5 critically analyse existing client arrangements
3.6 clarify the client’s understanding of investment risk in relation to their current portfolio

3.7 demonstrate an understanding of financial products and markets

3.8 evaluate quantitative and qualitative information and ensure suitability

3.9 apply reasonable assumptions

3.10 synthesise information to outline product recommendations

3.11 confirm client’s understanding of risk in relation to recommendations

3.12 explain the potential benefits of diversification

3.13 confirm the scope of the financial planner’s remit and responsibilities

3.14 prioritise action steps to assist the client in implementing specific recommendations

3.15 establish, agree and record an appropriate method of review

**LEARNING OUTCOME 04 – Personal risk management**

When composing a financial plan, the candidate should:

4.1 critically analyse existing client arrangements

4.2 identify potential obligations of the client

4.3 quantify the client’s risk exposures

4.4 assess the client’s risk appetite

4.5 critically assess alignment between risk appetite and risk exposure

4.6 assess the client’s risk exposure against current insurance coverage and risk management strategies

4.7 critically assess alignment between risk appetite and stated objectives

4.8 determine relevant family and lifestyle issues and attitudes

4.9 investigate client attitude to financial risk management

4.10 assess exposure to financial risk

4.11 qualify client willingness to take active steps to manage financial risk
Level 7 Financial Plan Case Study

4.12 assess the implications of changes to insurance coverage
4.13 prioritise client risk management needs
4.14 synthesise information to develop risk management strategies
4.15 distinguish between the advantages and disadvantages of a range of risk management strategies
4.16 clearly describe qualifications, caveats and assumptions
4.17 prioritise action steps to assist the client in implementing risk management recommendations

LEARNING OUTCOME 05 – Retirement planning

When composing a financial plan, the candidate should:

5.1 evaluate and synthesise quantitative and qualitative information relating to potential sources of retirement income
5.2 identify estimated retirement expenses
5.3 quantify estimated retirement expenditure
5.4 determine the client’s attitudes towards retirement
5.5 determine the client’s retirement objectives
5.6 apply reasonable assumptions
5.7 critically analyse client’s existing provision
5.8 consider the impact of social security benefits
5.9 model taxable burden across a range of strategies
5.10 quantify mortality risk
5.11 quantify morbidity risk
5.12 critically analyse alignment between client’s expectations and deliverables
5.13 qualify objectives
5.14 synthesise information to develop retirement planning strategies
5.15 distinguish between the advantages and disadvantages of a range of retirement planning strategies

5.16 illustrate alignment with client’s attitude to investment and risk appetite

5.17 model the impact and affordability of expenditure on the client’s cashflow and agreed expenditure parameters

5.18 prioritise action steps to assist the client in implementing retirement planning recommendations

5.19 clearly describe qualifications, caveats and assumptions

**LEARNING OUTCOME 06 – Estate planning**

When composing a financial plan, the candidate should:

6.1 investigate estate planning issues

6.2 determine the client’s estate planning objectives

6.3 critically analyse client’s existing arrangements

6.4 critically analyse alignment between client’s expectations and deliverables

6.5 quantify the value of the estate

6.6 apply reasonable assumptions

6.7 synthesise information to identify an appropriate method of achieving the client’s objectives

6.8 evaluate personal and professional limitations and consider ethical and fiduciary issues that might necessitate referring the client to legal and/or taxation specialists

6.9 model taxable burden for the client and intended beneficiaries

6.10 distinguish between the advantages and disadvantages of a range of estate planning strategies

6.11 critically analyse the use of Wills

6.12 critically analyse the advantages and disadvantages of trusts

6.13 critically analyse the benefits and scope of powers of attorney
Level 7 Financial Plan Case Study

6.14 outline the appropriate use of gifts in estate planning

6.15 consider the impact of social security benefits

6.16 explain the implications of following a particular course of action

6.17 illustrate alignment with the client’s attitude to investment and risk appetite

6.18 clearly describe qualifications, caveats and assumptions

6.19 prioritise action steps to assist the client in implementing estate planning recommendations

LEARNING OUTCOME 07 – Applied financial planning

Synthesise component elements to create a professional financial plan that:

7.1 is designed to align with client objectives

7.2 is clearly set out, concise and user friendly, taking into account the client’s level of knowledge and experience

7.3 explicitly states how each proposed solution links to each individual problem/objective

7.4 contains all relevant client data

7.5 provides an holistic solution

7.6 illustrates the ramifications of individual and collective courses of action and any trade-offs that may become necessary

7.7 clearly describes and justifies qualifications, caveats and assumptions

7.8 illustrates a logical sequence of order

7.9 establishes an effective review mechanism
READING LIST

Publications


Hayes, Claire & Veerappa, Shilpa, Whillans Tax Tables, latest edition

CISI, Time Value of Money Booklet

Kinder, George, 2012. Seven Stages of Money Maturity: Understanding the Spirit and Value of Money in Your Life, Dell


Taxbriefs, Professional Advisers Fact File, latest edition


Taxbriefs, The process of financial planning, latest edition

Websites:

3. www.theaic.co.uk
4. www.theinvestmentassociation.org