




FINANCIAL PLANNING STANDARDS BOARD INDIA

Creating the Future of Financial Advisory together: Embracing the CFP^{CM} Certification

Presentation By: Team FPSB India

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Contents

- I. Changing Business Dynamics and Business Concerns**
- II. How CFP^{CM} Certification can help address the concerns?
- III. Global Regulatory Environment
- IV. How FPSB India can facilitate the change?
- V. Recognition of CFP^{CM} Certification and FPSB India
- VI. Our Proposal

Every 'Layer' Is Changing Faster Than We Realise

Regulation

**Business
Processes**

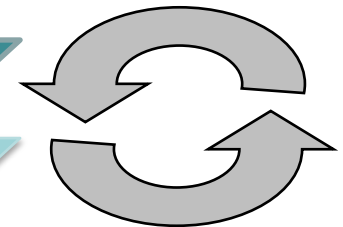
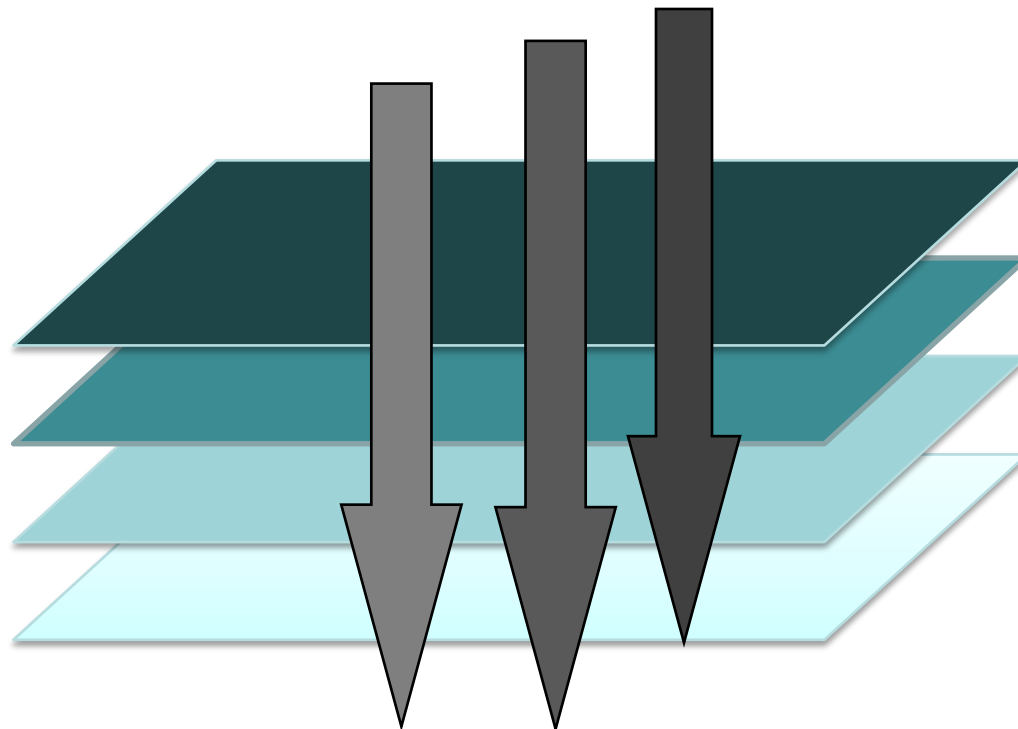
Technology

**Organisations
& People**

Product-Markets

Economy

Consumer



BUSINESS CONCERNS

HUMAN RESOURCES (HR)

- Recruitment of Qualified Staff
- Reducing Employee Turnover
- Adaptability to the Future Business Requirements
- Preparing the succession and leadership plan

REGULATIONS

- Navigating in the light of New Regulatory Changes
- Building a strong Policy Framework
- Integrating Business Strategy with Dynamic Regulatory Environment

INTERNAL

- Conducting Suitable Training Programs
- Offering Right Compensation as per Talent
- Embedding Continuous Education

EXTERNAL

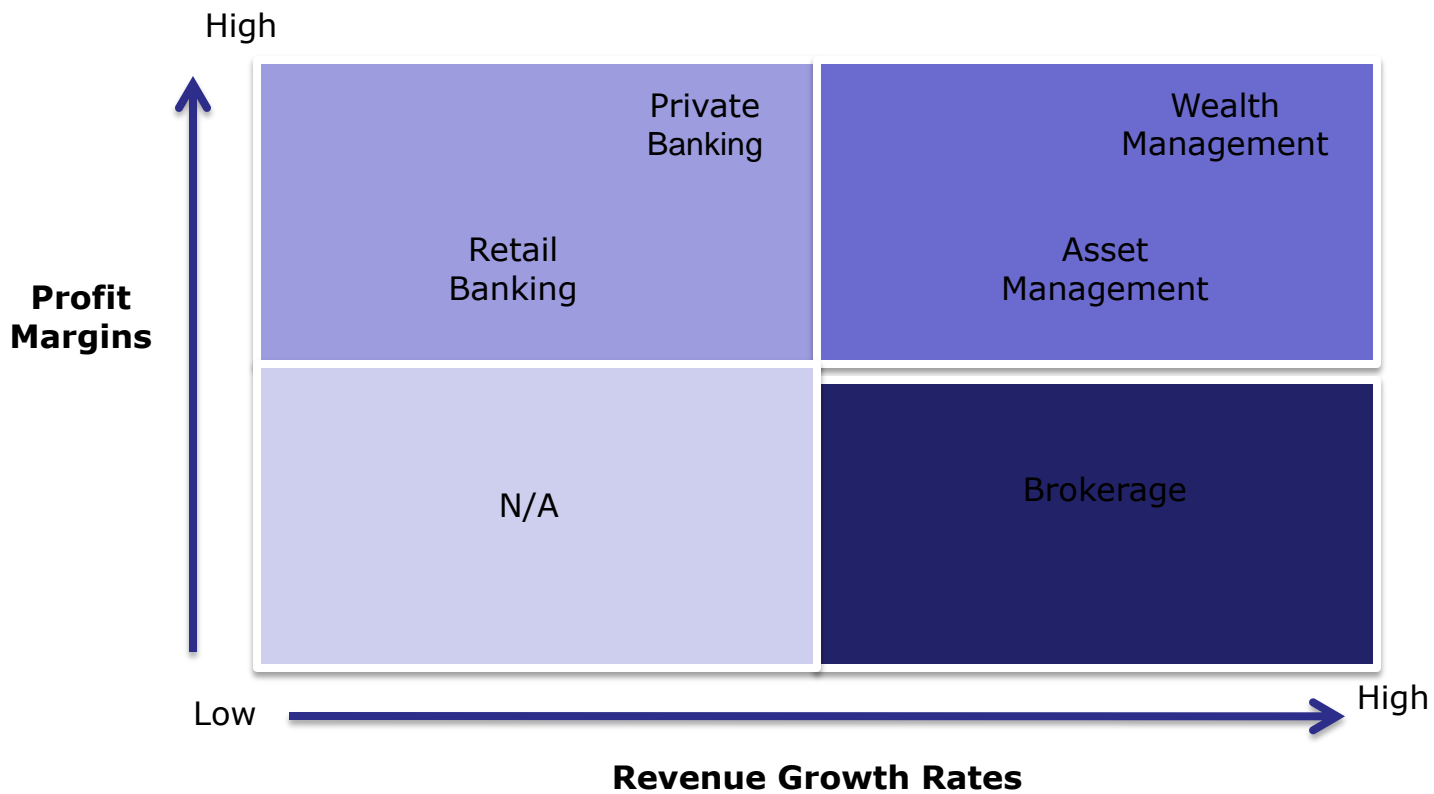
- Creating an attractive Employer Brand
- Seeking New and Innovative Business Opportunities
- Ensuring Customer Delight through Employee Satisfaction

Business Scenario Today

(Not in Order of Priority)

- Competition is Global. Competencies are Global. But business approach has to be GLOCAL (Global+Local)
- New Business Models emerging one after another
- Increase in Product Innovations
- Technology is within the reach of every one
- Knowledge improvements are high
- Holistic Skills Required
- Growing Customer Expectations
- Dynamic Regulatory Framework

Business Opportunities





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Why CFP^{CM} Certification?

- The Candidates undergo a thorough education program which empowers him/her with knowledge and skills in multi-discipline financial services such as Investment, Insurance, Retirement solutions and Tax Advisory
- A robust examination system evaluates their skills and knowledge
- Adherence to the Code of Ethics and Professional Conduct by the Candidates
- CFP^{CM} Certification is awarded after conducting due verification of the profile credentials of the Candidates and suitable due diligence
- Continuing Education requirement is embedded in the CFP^{CM} Certification, which ensures regular knowledge and skills enhancement



FINANCIAL PLANNING STANDARDS BOARD INDIA

Course Contents in CFP^{CM} Certification Program

There are 6 modules in the entire course:

- Introduction to Financial Planning
- Risk Analysis and Insurance Planning
- Retirement Planning and Employee Benefits
- Investment Planning
- Tax Planning and Estate Planning
- Advanced Financial Planning



FINANCIAL PLANNING STANDARDS BOARD INDIA

Benefits of upgrading Professionals as CFP^{CM} Practitioners

- Adding value to the advisory and scope of being able to command fees from the customers
- Managing Competition and Increase in Client Acquisition/Retention
- Alignment with Global Standards while employee becomes part of a league of professionals recognized worldwide
- Transformation from Financial Chemist To Financial Doctors
- Proves that the employee/advisor has tested herself/himself against the best and has met the Challenge
- Expertise and Credibility of the employee/advisor as a Financial Planner is instantly communicated

CREATING A WIN-WIN-WIN

CFP^{CM} Certification Helps Create a Solid Foundation for Building a Relationship and Knowledge based Business Model where All Stakeholders are Mutually Benefitted

EMPLOYEES WIN

- Better Job Perception
- Better Earning Prospects
- Opportunities to Network and learn the best practices.
- Opportunities for Media Recognition
- Geared up for the Future as CFP^{CM} Certificant can practice in 23 countries, after adhering to the Cross Border Policies.

ORGANIZATIONS WIN

- Lower Cost and Lesser Time spent on Grooming for the Job.
- Maintain a better organizational image,
- Embedded Continuous Learning and Development
- Better Equipped for Future Challenges
- Probability of Higher Level of Employee Retention
- Better quality control on advisory and service delivery through agents/advisors



CUSTOMERS WIN

- Comprehensive and Unbiased Advisory
- Assured of the Confidentiality
- Assured of Ethical Conduct
- Redressal Mechanism



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Global Regulatory Environment

S. No.	Country	Regulations	Notes
1	Australia	Corporations Act, 2001; Financial Services Reform (FSR) Act, 2001 Australian Securities and Investments Commission (ASIC) Act 2001	<ol style="list-style-type: none"> 1. AISC is the Primary regulator. 2. There is a single licensing regime for sales, advice and dealings in relation to financial products. 3. Wide range of financial products and services covered. 4. FPA recommends that members move from commission based to fee based model of financial advisory.
2	Canada	Securities Act - National Instrument 14-101, 1997	<ol style="list-style-type: none"> 1. Canada has regulators of securities and financial services in each province. 2. National level SROs regulate product sales for mutual funds and securities. 3. Investment Funds Institute of Canada (IFIC) supports the work of the Canadian Securities Administrators (CSA) aimed at streamlining Canada's current securities regulatory system.

Global Regulatory Environment

S. No.	Country	Regulations	Notes
3	Malaysia	Capital Market and Services Act (CMSA), 2007 Insurance Act 1996	<ol style="list-style-type: none"> 1. Financial Planning is regulated by two authorities – the Securities Commission provides under CMSA the definition for Financial Planning, whereas the Central Bank provides under the Insurance Act the guidelines for Financial Advisers. 2. CFP Certification is an eligible qualification.
4	New Zealand (NZ)	Financial Advisers Act 2008	<ol style="list-style-type: none"> 1. The Financial Advisers Act covers aspects of practice including authorization, definitions, registration, etc. under the supervision of Securities Commission. 2. It is proposed that the key elements will be set by subsidiary legislation called Regulations and there will be a Code which will set out competency requirements and ethics and practice standards for the financial advisers.
5	South Africa	Financial Services Board Act, (Act 97 of 1990) ("FSB Act")	<ol style="list-style-type: none"> 1. The Financial Services Board (FSB) regulates the activities of all financial service providers who give advisory and intermediary service. 2. The Act requires licensing of such service providers and governing their conduct through a code of conduct and specific enforcement measures.

Global Regulatory Environment

S. No.	Country	Regulations	Notes
6	UK	Financial Services and Markets Act (FSMA) 2000	<ol style="list-style-type: none"> 1. Financial Services Authority (FSA), an independent body with statutory powers, regulates business and requires that all investment businesses apply for authorization through their respective SRO. 2. FSA is accountable to Parliament, though it is operationally independent of Government and is funded entirely by the firms it regulates. 3. FSA has proposed to bring to an end the existing commission-based system of adviser remuneration. Coming into effect from the end of 2012, the charges would be decided by the consumers and would no longer be determined by the product providers.
7	USA	Investment Advisers Act, 1940 and Investors Protection Act (Proposed), 2009	<ol style="list-style-type: none"> 1. The Act regulates investment advisers who furnish advice relating to securities. 2. It requires that firms or sole practitioners compensated for advising on securities investments register with the SEC if assets under management exceed \$25 million. The advisers below this limit must register at the state level. 3. The Financial Planning Coalition, consisting of CFP Board, the Financial Planning Association, and the National Association of Personal Financial Advisors, recommends the creation of a professional oversight board for financial planners that would set and enforce competency and ethical standards in the delivery of financial planning advice, subject to SEC oversight. 4. Investor Protection Act 2009 proposes consistent standards, disclosures amongst others.



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FP&B INDIA

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INDUSTRY GIANTS HAVE COME TOGETHER TO ANNOUNCE THE BIRTH OF A REVOLUTION IN FINANCIAL PLANNING INDUSTRY

AB
ALLIANCEBERNSTEIN

citibank

Geojit
driven by trust

☞ kotak

Principal
pnb
Asset Management
in association with Vijaya Bank

SHINSEI BANK

ASK
WEALTH ADVISORS
customized solutions for a lifetime

DAWNAY DAY AV

HDFC
MUTUAL FUND

KZen
GLOBAL FORTUNE HUNTERS
www.KZen.in

RELIANCE Life Insurance
Anil Dhirubhai Ambani Group

moneywise
SKP Securities Limited

AXIS BANK

DBS Chola
mandalam
ASSET MANAGEMENT

HSBC



RELIANCE Money
Anil Dhirubhai Ambani Group

Standard Chartered

BAJAJ CAPITAL
change ending in your interest (B)

Deutsche Bank

ICICI Bank

LIC
भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

RELIANCE Mutual Fund
Anil Dhirubhai Ambani Group

TATA AIG
LIFE
A new look at life

BARCLAYS

DYNAMIC
WEALTH MANAGERS

ICICI direct
Turning Money to Wealth

MetLife

RELIGARE
Values that bind

Birla Sun Life
Wealth Management

Edelweiss
Ideas create, values protect

ICICI PRUDENTIAL
ASSET MANAGEMENT
Making your money work as hard as you do

MIRAE ASSET
Building on principles

State Bank of India
With you - all the way

TATA MUTUAL FUND

Birla Sun Life
Insurance
YOUR DREAMS OUR COMMITMENT

Padmakshi
Financial Services

ICICI PRUDENTIAL
LIFE INSURANCE
We cover you. At every step in life.

MUTHU OSWAL
Solid research. Solid advice.

SBI Life
INSURANCE
With Us, You're Sure

uti
UTI Mutual Fund

BNP PARIBAS
Private Banking

FRANKLIN TEMPLETON
INVESTMENTS

ING Financial
Advisors Network
Shaping Tomorrow's Financial Planners

networth

SBI MUTUAL FUND
A partner for life.

WORLD GOLD COUNCIL | gold

KARVY
STOCKBORING LIMITED

BUSINESS CASE FOR ASSOCIATION WITH FPSB INDIA

HUMAN RESOURCES (HR)

- Ready access to a large pool of Financial Services Professionals
- Structured approach towards building employee profile / brand
- Adaptability to the Future Business Requirements
- Tools to groom talent for higher roles

REGULATIONS

- Constant upgradation of the education & practice standard to suit the dynamic environment
- Benchmarking to National & International Standards and Practices
- Choreographing & Scripting a better understanding of Business through regular Interactions with Regulators
- Creating Specific, Measurable, Achievable, Realistic and Time bound (SMART) Internal Codes & Regulation

INTERNAL

- Addressing the need based training requirements
- Mapping of compensation possible based on the pay scale survey of CFP^{CM} Certificants
(Source: <http://www.payscale.com>)
- Continuous Education embedded in the CFP^{CM} Certification

EXTERNAL

- Attracting quality talent through demonstration and display of higher skill sets of employees
- Upcoming Opportunities in Financial Planning KPOs, Fee-Based Advisory, Training Outfits etc.
- Higher Customer Satisfaction Index



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How FPSB India can facilitate change

- Provides access to a ready pool of professionals - Over 1,000 CFP^{CM} Certificants, over 6,000 AFPs and a potential pool of 16,000 candidates currently pursuing the Certification
- Effective Communication medium - 'Financial Planning Journal' & our E-newsletter - 'Milestone' with circulation of more than 16,000 and 6,00,000 respectively
- FPSB India Events - Prolific platform to get associated with Financial Planning movement, get heard and be seen
- Connects all stakeholders of Financial Services Sector on a Common Platform

FP&B INDIA

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Recognition of CFP^{CM} Certification & FPSB India

Regulatory

- FPSB India is an established Body of Knowledge for Financial Planning as an Academic Institution and Change Agent to evolve Regulatory Framework
- Various Papers prepared and presented by FPSB India to Regulators and the Government viz. IRDA, PFRDA, RBI, SEBI and Ministry of Finance and honorable mention of FPSB India at the OECD International Conference

Industry

- FPSB India is promoted up by 50 leading Financial Services Organizations
- The Charter Members of FPSB India have resolved to give first preference to CFP^{CM} Certificants in their respective recruitments

Media

- CFP Certification rated as the "Gold Standard" in Financial Planning by the Wall Street Journal (Jan, 2003)
- CFP Certification acknowledged as one of the "Upcoming Certifications" in Financial Services in India by The Week



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Proposal

- Special Offers on CFP^{CM} Certification Program for Challenge Status for Employees/Associates (Conducting joint contests for employees/associates leading to CFP^{CM} Certification and other rewards)
- 'Financial Planning Journal' & our E-newsletter -'Milestone'- Effective mediums to reach out to employees and associates
- Joint events in the sphere of Financial Planning, Financial Literacy & Investor Awareness
- Based on the recruitment strategy, joint advertisements may be initiated
- Access to ready pool of Financial Planning professionals for recruitment



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Thank You!

For further detail contact us:

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