
**Personal financial planning —
Requirements for personal financial
planners**

*Conseil en gestion de patrimoine — Exigences pour les conseillers en
gestion de patrimoine*



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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

International Standards are drafted in accordance with the rules given in the ISO/IEC Directives, Part 2.

The main task of technical committees is to prepare International Standards. Draft International Standards adopted by the technical committees are circulated to the member bodies for voting. Publication as an International Standard requires approval by at least 75 % of the member bodies casting a vote.

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights.

ISO 22222 was prepared by Technical Committee ISO/TC 222, *Personal financial planning*.

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Introduction

This International Standard has been drawn up with the objective of achieving and promoting a globally accepted benchmark for individuals who provide the professional service of personal financial planning. Personal financial planning is a process designed to enable consumers to achieve their personal financial goals. The service of personal financial planning is provided by a personal financial planner to assist clients with their personal financial planning.

Consumers need to have confidence in their personal financial planner. This International Standard specifies the ethical behaviour, competences and experience required of a professional personal financial planner.

This International Standard describes and addresses the various methods of conformity assessment and specifies requirements applying to each of them. Conformity assessment of personal financial planners is a complex task requiring access to specialized knowledge, skills and experience. The technical committee (comprising practitioners, industry and consumer representatives) for this International Standard strongly believes that accredited independent third-party certification provides the most reliable method of conformity assessment and thus protection for consumers.

Therefore, the technical committee recommends that consumers seek the services of personal financial planners who can demonstrate that they have undergone conformity assessment by independent third-party certification bodies which have been accredited as complying with the requirements set out in ISO/IEC 17024.

Personal financial planning — Requirements for personal financial planners

1 Scope

This International Standard defines the personal financial planning process and specifies ethical behaviour, competences and experience requirements for personal financial planners.

This International Standard is applicable to all personal financial planners regardless of their employment status.

This International Standard describes and addresses the various methods of conformity assessment and specifies requirements applying to each of them.

2 Normative references

The following referenced documents are indispensable for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO/IEC 17000, *Conformity assessment — Vocabulary and general principles*

ISO/IEC 17024, *Conformity assessment — General requirements for bodies operating certification of persons*

ISO/IEC 17050 (all parts), *Conformity assessment — Supplier's declaration of conformity*

3 Terms and definitions

For the purposes of this document, the terms and definitions given in ISO/IEC 17000, ISO/IEC 17024 and the following apply.

3.1

broad general knowledge

awareness and basic understanding over the breadth of the subject, but not to the depth that would be expected of a specialist in the specific subject area

3.2

certificate

attestation document issued by an independent third-party certification body

3.3

client

consumer who has accepted the terms of engagement as described in 4.2.3

3.4

cognitive level

hierarchy of thinking

NOTE The hierarchy of thinking is listed in 6.2.

3.5

conformity assessment

demonstration that specified requirements relating to a product, process, system, person or body are fulfilled

[ISO/IEC 17000]

NOTE Conformity assessment covers such activities as testing, inspection and certification, as well as the accreditation of conformity assessment bodies.

3.6

consumer

individual or group of individuals who share financial interests

NOTE A family would be considered a group of individuals.

3.7

continuing education

education, training and development undertaken by personal financial planners to maintain ongoing professional competence

3.8

declaration

attestation document issued by any body other than an independent third-party certification body

NOTE 1 This definition differs from the definition of declaration in ISO/IEC 17000.

NOTE 2 "Body" includes any individual.

3.9

employment status

present state of a consumer's income-earning capabilities

EXAMPLES Employee, self-employed, independent contractor, freelancer, business owner, not employed, retiree, or student.

3.10

experience

knowledge and skills acquired while participating in the application of the personal financial planning process and related activities

3.11

financial goal

quantifiable financial outcome or target which is intended to be met at some future point in time or over a period of time

3.12

financial risk tolerance

extent to which a consumer is willing to risk experiencing a less favourable financial outcome in the pursuit of a more favourable financial outcome

3.13

individual performance measurements

methods and indicators used to evaluate the performance of a personal financial planner

3.14

personal financial plan

document that specifies how a consumer should organize and manage his/her/their personal financial affairs, in whole or in part, so as to satisfy present and future personal goals, needs and priorities

3.15**personal financial planner**

individual who provides a service of personal financial planning to clients and who meets all of the ethics, competence and experience requirements contained in this International Standard

NOTE A personal financial planner is also commonly referred to as a “financial planner” or “financial planning practitioner.”

3.16**personal financial planning**

process designed to enable a consumer to achieve his/her/their personal financial goals

3.17**personal financial planning relationship**

relationship between a client and his/her/their personal financial planner

3.18**personal goal**

outcome which a consumer wishes to achieve that may be quantitative or qualitative in nature

3.19**remuneration**

direct and indirect financial benefits received by a personal financial planner in exchange for providing the service of personal financial planning to a client

3.20**service of personal financial planning**

service performed interactively by a personal financial planner to assist a client with his/her/their personal financial planning

3.21**year**

(of experience) twelve months of full-time activity or the part-time equivalent

4 Process**4.1 Personal financial planning process**

As provided by a personal financial planner, the personal financial planning process shall include, but is not limited to, six steps that can be repeated throughout the client and personal financial planner relationship. The client can decide to end the process before having completed all of the steps.

In providing clients with the service of personal financial planning, the personal financial planner shall use documented procedures to respond to and resolve all client complaints and claims, and be supported by financial, security, operational, risk management and business continuation plans.

4.2 Establishing and defining the client and personal financial planner relationship

4.2.1 The personal financial planner shall, at the beginning of each engagement, provide, in writing, to the consumer:

- a) the scope of the financial planning service being offered,
- b) their qualifications and experience, and
- c) the full disclosure as to which method they have used or are using to demonstrate their conformity with this International Standard (independent third-party certification, other-party assessment, or self-assessment); against which country-specific knowledge they have been tested; when conformity was established; and by which body.

4.2.2 The personal financial planner shall request and should gather the following information:

- a) consumer profile, including composition of household,
- b) age, health and factors affecting life expectancy,
- c) employment status,
- d) relationships,
- e) financial position,
- f) public and private benefits, insurances and entitlements,
- g) immediate needs, and
- h) short-term and long-term goals,

NOTE Methods for gathering information can include:

- interviews,
- questionnaires,
- face-to-face meetings,
- telephone conversations, and
- correspondence.

4.2.3 The personal financial planner shall provide written terms of engagement for services that disclose:

- a) the basis of remuneration,
- b) any known conflicts of interest,
- c) service deliverables and timeframes,
- d) duration of the agreement,
- e) frequency of contact, and
- f) confidentiality provisions.

4.3 Gathering client data and determining goals and expectations

4.3.1 The personal financial planner shall use the outputs from 4.2.

4.3.2 The personal financial planner shall request appropriate additional data that should normally include, but is not limited to:

- a) individual and household asset, liability and cash flow details,
- b) relevant risk management arrangements,
- c) contracts,
- d) statements,
- e) forms,

- f) legal documents,
- g) details of needs, goals and objectives, including timeframes,
- h) economic assumptions,
- i) information relating to their financial risk tolerance, and
- j) attitude to social, ethical, environmental and religious considerations.

4.3.3 The personal financial planner shall protect the confidentiality of client information.

4.3.4 The personal financial planner shall maintain an electronic or hard copy database of files and/or records for the client with relevant values and dates for the timeframe mandated by local law, or in the absence of local law, five years from the date of the terms of engagement or termination of the engagement, whichever is later.

4.4 Analysing and evaluating the client's financial status

4.4.1 The personal financial planner shall use the outputs from 4.2 and 4.3.

4.4.2 The personal financial planner shall take into account the client's current situation and circumstances, and should reflect anticipated future changes.

4.4.3 The personal financial planner shall include the client's goals and preferences.

4.4.4 The personal financial planner shall produce and provide to the client, in a clear and reasonable manner, an evaluation of the client's status that identifies areas of strengths and vulnerability, comparing them against the client's goals, plans, restrictions and assessment of financial risk tolerance.

4.5 Developing and presenting the financial plan

4.5.1 The personal financial planner shall use the outputs from 4.2, 4.3 and 4.4.

4.5.2 The personal financial planner shall review, discuss and resolve with the client issues pertaining to understanding:

- a) the client's information and circumstances,
- b) the client's goals and interpretation of the goals,
- c) the client's tolerance for financial risk, and
- d) the methods used to assist in achieving the client's goals.

4.5.3 The personal financial planner shall produce and provide to the client a financial plan that includes a list of suitable and usable recommendations.

4.6 Implementing the financial planning recommendations

4.6.1 The personal financial planner shall use the output from 4.5.

4.6.2 The personal financial planner shall assist the client directly or indirectly with implementation of the recommendations in accordance with the terms of engagement.

4.6.3 The personal financial planner should produce appropriate documentation wherein each recommendation has evidence of acceptance, modification, completion, deferral or rejection, pursuant to local and national requirements.

4.7 Monitoring the financial plan and the financial planning relationship

4.7.1 The personal financial planner shall use the input from 4.2, outputs from 4.5 and actions from 4.6 as updated over time, and as defined and outlined in the terms of engagement.

4.7.2 The personal financial planner should use a method that repeats, as necessary, all or part of the previous steps identified as 4.2 through 4.6 of the financial planning process.

4.7.3 The personal financial planner shall produce an updated list of recommendations in accordance with the terms of engagement wherein each recommendation has evidence of acceptance, modification, completion, deferral or rejection.

5 Ethics

5.1 Professional behaviour

A personal financial planner shall strive for conduct that reflects honourably upon the profession of personal financial planning.

NOTE Ethical behaviour is at the core of the personal financial planner's practice. Recognizing, valuing and applying ethical principles day-to-day is fundamental to professional life. This clause sets out a limited number of key ethical principles that apply broadly to all aspects of a personal financial planning service. Ethical behaviour presumes and goes beyond compliance with applicable rules and regulations.

5.2 Ethical principles

5.2.1 Integrity

Personal financial planners shall be open, honest, responsive, accountable and committed to acting competently, responsibly, reliably, fairly and with respect in all professional relationships.

5.2.2 Priority of client's interests

Personal financial planners shall make the legitimate interests of the client paramount.

5.2.3 Due care and diligence

Personal financial planners shall conduct their professional activities with due skill, care, diligence and competence.

5.2.4 Compliance and professionalism

Personal financial planners shall comply with relevant rules and regulations and observe standards of professional good practice.

5.2.5 Conflicts of interests

Personal financial planners shall disclose and fairly manage all conflicts of interest.

5.2.6 Communication

Personal financial planners shall convey information and recommendations in an understandable, effective and constructive manner.

5.2.7 Objectivity

Personal financial planners shall act objectively and recommend solutions that fit the client's situation.

5.2.8 Confidentiality

Personal financial planners shall safeguard client confidentiality unless subject to regulatory and or legal obligations.

5.2.9 Disclosure

Personal financial planners shall provide accurate and relevant information, including statements of qualifications, credentials and type of conformity assessment with this International Standard.

5.2.10 Competence

Personal financial planners shall not accept or perform work which they are not competent to undertake unless they obtain such advice and assistance as should enable them to carry out the work competently.

6 Competence

6.1 General requirements for competence

Personal financial planners shall have knowledge specific to the jurisdictions in respect of which they are performing a service of personal financial planning.

Personal financial planners shall have a broad general knowledge of the rules and regulations that apply to personal financial planning.

Personal financial planners shall abide by the applicable rules and regulations to which they are subject, including those of any professional bodies or regulators.

Personal financial planners shall understand what services should be rendered based on the scope of an engagement.

6.2 Specific requirements for competence

Each task to be carried out by a personal financial planner is defined in Table 1 and then broken down into knowledge/understanding and skill required to carry out the task competently.

NOTE The following hierarchy of thinking is used in Table 1 to reflect increasing levels of complexity in the thought processes required:

- a) Knowledge: ability to recognize and recall a piece of information presented in the assessment.
- b) Understanding: ability to understand how and why a principle operates within a particular environment.
- c) Application: ability to select an appropriate known principle in a new situation, to restructure data in a suitable form, and to apply the principle.
- d) Analysis: ability to split a concept into its constituent elements.
- e) Evaluation: ability to judge the extent to which material satisfies specified criteria.

Table 1 — Specific requirements for competence of a personal financial planner

Step	Process	
1	Establishing and defining the client and personal financial planner relationship	
	A	Personal financial planners shall be able to assist a client in the establishment of reasonable expectations based on the scope of the financial planning engagement.
	a) Knowledge/understanding — Shall understand the nature and scope of the engagement.	b) Skills — Shall communicate with the client in a way that will help the client to establish clearly defined expectations for the engagement. — Shall be able to communicate with the client in a way that builds a candid and trusting relationship.
2	Gathering client data and determining goals and expectations	
	A	Personal financial planners shall be able to gather client's data and establish initial goals and expectations.
	a) Knowledge/understanding — Shall understand the need for establishing time horizons for individual objectives, quantifying needs and objectives and prioritizing needs and objectives based on the goals of the client. — Shall understand how certain events and stages within the life cycle could have an impact on a client's needs.	b) Skills — Shall be able to assist in identifying and understanding the client's needs and objectives. — Shall be able to assist a client in identifying time horizons for each need and objective. — Shall be able to assist in establishing and prioritizing the client's goals and expectations.
	B	Personal financial planners shall be able to work with a client to develop the client's quantitative and qualitative financial goals.
	a) Knowledge/understanding — Shall possess a broad general knowledge of the financial and economic concepts required to develop financial objectives. — Shall possess the basic analytical abilities required to develop financial objectives. — Shall possess a basic understanding of how risk and time frames can affect financial objectives.	b) Skills — Shall be able to clearly state the objectives as developed with and agreed to by the client.
	C	Personal financial planners shall be able to obtain a client's personal non-financial data, such as health, gender, age, lifestyle, occupation, marital status, family needs and priorities.
	a) Knowledge/understanding — Shall know the questions that need to be asked to gather the non-financial data.	b) Skills — Should be able to communicate effectively so that accurate data can be collected. — Should be able to explain why complete and accurate data is essential and relevant to the engagement.

Table 1 (continued)

Step	Process	
	D	Personal financial planners shall be able to collect and record accurately a client's relevant financial data such as past, current and expected future income, expenditures, assets and liabilities.
	a) Knowledge/understanding — Shall know the general types of information relevant to a client's past, current, and expected future income, expenditure, assets and liabilities. — Should know where and how to obtain the information.	b) Skills — Should be able to communicate effectively so that accurate data is collected. — Shall be able to explain why complete and accurate data is essential and relevant to the engagement. — Shall be able to prepare a statement of net worth and statement of cash flow, and record other relevant information accurately and comprehensively.
	E	Personal financial planners shall be able to collect all other information relevant to the engagement, such as insurance, investments, retirement, gifting, tax and estate data.
	a) Knowledge/understanding — Shall understand why the information is needed. — Shall know how to collect the relevant data.	b) Skills — Shall be able to explain the need for the information to the client. — Shall be able to use appropriate methods to collect relevant information.
	F	Personal financial planners shall be able to gather information on a client's tolerance and capacity for financial risks.
	a) Knowledge/understanding — Shall understand the general concepts of risk capacity and risk tolerance levels and understand how those factors combine to impact investment and other financial decisions.	b) Skills — Shall be able to gather the relevant information to assess risk tolerance.
	G	Personal financial planners shall be able to assemble and consolidate relevant data and information for analysis.
	a) Knowledge/understanding — Shall know how to organize the relevant information collected.	b) Skills — Shall be able to identify gaps and discrepancies and organize the information for analysis.
3	Analysing and evaluating the client's financial status	
	A	Personal financial planners shall be able to prepare a time line of a client's life events taking into account the client's situation and intentions as defined in the objectives.
	a) Knowledge/understanding — Shall possess a general knowledge of significant events and circumstances in life that may cause an individual to seek advice and an understanding of their financial implications.	b) Skills — Shall possess the analytical skills necessary to prepare a time line of a client's life events. — Shall be able to integrate economic, financial, and social factors in preparing the time line of events.

Table 1 (continued)

Step	Process	
	B Personal financial planners shall be able to analyse the implications of a client's current and projected net worth and cash flow statements.	
	a) Knowledge/understanding — Shall understand the current and future implications of a client's net worth and cash flow statements.	b) Skills — Shall be able to identify the financial strengths and weaknesses reflected in the net worth and cash flow statements. — Shall be able to determine appropriate assumptions in conjunction with the information provided by the client. — Shall be able to develop appropriate projections according to the assumptions.
	C Personal financial planners shall be able to identify and analyse relevant tax issues and related implications for their clients.	
	a) Knowledge/understanding — Shall possess a broad general knowledge of individual and business taxes as they relate to personal financial planning. — Shall possess a general knowledge of how the timing of an event can affect taxes.	b) Skills — Shall be able to analyse tax situations and understand the implications and effects of the situation.
	D Personal financial planners shall be able to analyse and evaluate economic, financial and social factors relevant to a client's situation.	
	a) Knowledge/understanding — Shall possess a broad general knowledge of financial, economic and social events relevant to personal financial planning.	b) Skills — Shall be able to analyse and evaluate the implications of external events on the client's financial situation. — Shall be able to develop appropriate projections according to the assumptions.
	E Personal financial planners shall be able to analyse and evaluate a client's risk management and insurance situation.	
	a) Knowledge/understanding — Shall possess a broad general knowledge of risk management and insurance as it applies to personal financial planning.	b) Skills — Shall be able to analyse and evaluate the risk management and insurance needs of a client. — Shall be able to analyse and evaluate the risk management and current insurance coverage of a client and determine if it meets the needs and objectives of the client.

Table 1 (continued)

Step	Process					
	F	Personal financial planners shall be able to analyse and evaluate a client's retirement situation. <table><tr><td>a) Knowledge/understanding</td><td>b) Skills</td></tr><tr><td> — Shall possess a broad general knowledge of private, business and government retirement programmes as they relate to personal financial planning. </td><td> — Shall be able to analyse and evaluate the retirement needs and objectives of a client. — Shall be able to analyse and evaluate the current retirement plans and assets of a client and determine if they sufficiently meet the needs and objectives of the client. </td></tr></table>	a) Knowledge/understanding	b) Skills	— Shall possess a broad general knowledge of private, business and government retirement programmes as they relate to personal financial planning.	— Shall be able to analyse and evaluate the retirement needs and objectives of a client. — Shall be able to analyse and evaluate the current retirement plans and assets of a client and determine if they sufficiently meet the needs and objectives of the client.
a) Knowledge/understanding	b) Skills					
— Shall possess a broad general knowledge of private, business and government retirement programmes as they relate to personal financial planning.	— Shall be able to analyse and evaluate the retirement needs and objectives of a client. — Shall be able to analyse and evaluate the current retirement plans and assets of a client and determine if they sufficiently meet the needs and objectives of the client.					
	G	Personal financial planners shall be able to analyse and evaluate a client's estate situation. <table><tr><td>a) Knowledge/understanding</td><td>b) Skills</td></tr><tr><td> — Shall possess a broad general knowledge of estate planning techniques. </td><td> — Shall be able to analyse and evaluate the estate needs of the client. — Shall be able to analyse and evaluate the current estate plan and determine if it meets the client's objectives. </td></tr></table>	a) Knowledge/understanding	b) Skills	— Shall possess a broad general knowledge of estate planning techniques.	— Shall be able to analyse and evaluate the estate needs of the client. — Shall be able to analyse and evaluate the current estate plan and determine if it meets the client's objectives.
a) Knowledge/understanding	b) Skills					
— Shall possess a broad general knowledge of estate planning techniques.	— Shall be able to analyse and evaluate the estate needs of the client. — Shall be able to analyse and evaluate the current estate plan and determine if it meets the client's objectives.					
	H	Personal financial planners shall be able to analyse and evaluate a client's investment situation. <table><tr><td>a) Knowledge/understanding</td><td>b) Skills</td></tr><tr><td> — Shall possess a broad general knowledge of investment options. </td><td> — Shall be able to analyse and evaluate the risks and returns of various investments as compared to commonly used benchmarks. — Shall be able to analyse and evaluate the investment needs of a client. — Shall be able to analyse and evaluate a client's current investments and determine if they meet the stated objectives and risk tolerance level of the client. </td></tr></table>	a) Knowledge/understanding	b) Skills	— Shall possess a broad general knowledge of investment options.	— Shall be able to analyse and evaluate the risks and returns of various investments as compared to commonly used benchmarks. — Shall be able to analyse and evaluate the investment needs of a client. — Shall be able to analyse and evaluate a client's current investments and determine if they meet the stated objectives and risk tolerance level of the client.
a) Knowledge/understanding	b) Skills					
— Shall possess a broad general knowledge of investment options.	— Shall be able to analyse and evaluate the risks and returns of various investments as compared to commonly used benchmarks. — Shall be able to analyse and evaluate the investment needs of a client. — Shall be able to analyse and evaluate a client's current investments and determine if they meet the stated objectives and risk tolerance level of the client.					
	I	Personal financial planners shall be able to analyse and evaluate a client's overall financial position. <table><tr><td>a) Knowledge/understanding</td><td>b) Skills</td></tr><tr><td> — Shall understand the comprehensive and integrated nature of financial planning. — Shall understand how the various areas of a client's financial life interact. </td><td> — Shall be able to analyse and evaluate a client's overall financial situation. </td></tr></table>	a) Knowledge/understanding	b) Skills	— Shall understand the comprehensive and integrated nature of financial planning. — Shall understand how the various areas of a client's financial life interact.	— Shall be able to analyse and evaluate a client's overall financial situation.
a) Knowledge/understanding	b) Skills					
— Shall understand the comprehensive and integrated nature of financial planning. — Shall understand how the various areas of a client's financial life interact.	— Shall be able to analyse and evaluate a client's overall financial situation.					
4	Developing and presenting the financial plan					
	A	Personal financial planners shall be able to develop recommendations based on the statement of net worth and the statement of cash flows and present these recommendations in a way that assists the client in understanding how these recommendations meet his/her/their needs. <table><tr><td>a) Knowledge/understanding</td><td>b) Skills</td></tr><tr><td> — Shall possess a basic understanding of the calculations, presentation and categories of personal financial statements. </td><td> — Shall be able to develop and evaluate present recommendations based on the information provided in the statement of net worth and the statement of cash flows. — Shall be able to explain why the recommendations are appropriate for the client. </td></tr></table>	a) Knowledge/understanding	b) Skills	— Shall possess a basic understanding of the calculations, presentation and categories of personal financial statements.	— Shall be able to develop and evaluate present recommendations based on the information provided in the statement of net worth and the statement of cash flows. — Shall be able to explain why the recommendations are appropriate for the client.
a) Knowledge/understanding	b) Skills					
— Shall possess a basic understanding of the calculations, presentation and categories of personal financial statements.	— Shall be able to develop and evaluate present recommendations based on the information provided in the statement of net worth and the statement of cash flows. — Shall be able to explain why the recommendations are appropriate for the client.					

Table 1 (continued)

Step	Process	
B	Personal financial planners shall be able to develop recommendations for tax strategies and present these recommendations in a way that can assist the client in understanding how these recommendations meet his/her/their needs.	
	a) Knowledge/understanding — Shall possess a broad general knowledge of individual and business taxes as they relate to personal financial planning. — Shall possess a general knowledge of how the timing of an event can affect taxes.	b) Skills — Shall be able to evaluate alternative tax strategies and determine how they can affect the outcomes desired by the client. — Shall be able to explain why the recommendations are appropriate for the client.
C	Personal financial planners shall be able to develop and present recommendations for a personal risk management and insurance plan.	
	a) Knowledge/understanding — Shall possess a broad general knowledge of risk management and insurance as it applies to personal financial planning.	b) Skills — Shall be able to evaluate alternative personal risk management and insurance plans and determine how they can affect the outcomes desired by the client. — Shall be able to explain why the recommended plan is appropriate for the client.
D	Personal financial planners shall be able to develop and present recommendations for a retirement plan.	
	a) Knowledge/understanding — Shall possess a broad general knowledge of private, business and government retirement programmes as they relate to personal financial planning.	b) Skills — Shall be able to evaluate alternative retirement plans and determine how they can affect the outcomes desired by the client. — Shall be able to explain why the recommendations are appropriate for the client.
E	Personal financial planners shall be able to develop and present recommendations for an investment plan.	
	a) Knowledge/understanding — Shall possess a broad general knowledge of investment options.	b) Skills — Shall be able to evaluate alternative investment plans and determine how they can affect the outcomes desired by the client. — Shall be able to explain why the recommendations are appropriate for the client.
F	Personal financial planners shall be able to develop and present estate planning recommendations.	
	a) Knowledge/understanding — Shall possess a broad general knowledge of estate planning techniques.	b) Skills — Shall be able to evaluate alternative estate plans and determine how they can affect the outcomes desired by the client. — Shall be able to explain why the recommendations are appropriate for the client.

Table 1 (continued)

Step	Process					
	G	Personal financial planners shall be able to compare the client's tolerance for financial risks and the financial risks that may be involved in achieving his or her goals and assist the client in resolving any differences. <table><tr><td>a) Knowledge/understanding</td><td>b) Skills</td></tr><tr><td> — Shall understand personal financial risk tolerance. — Shall understand the risks in financial strategies. </td><td> — Shall be able to explain to the client how to reconcile any differences. — Shall assist the client in resolving any differences. </td></tr></table>	a) Knowledge/understanding	b) Skills	— Shall understand personal financial risk tolerance. — Shall understand the risks in financial strategies.	— Shall be able to explain to the client how to reconcile any differences. — Shall assist the client in resolving any differences.
	a) Knowledge/understanding	b) Skills				
— Shall understand personal financial risk tolerance. — Shall understand the risks in financial strategies.	— Shall be able to explain to the client how to reconcile any differences. — Shall assist the client in resolving any differences.					
	H	Personal financial planners shall be able to integrate the various financial plan components, explain the resulting comprehensive financial plan and obtain the properly informed commitment of the client to proceed. <table><tr><td>a) Knowledge/understanding</td><td>b) Skills</td></tr><tr><td> — Shall understand the comprehensive nature of financial planning. — Shall understand how the various areas of a client's financial life interact. </td><td> — Shall be able to compile the various components into a logical and appropriate financial plan for a client. — Shall be sure the recommendations answer the questions of who, what, when, where, why and how. — Shall be able to evaluate alternative strategies and determine how they could affect the overall financial plan. — Shall be able to evaluate a comprehensive financial plan to determine if it meets the needs and stated objectives of a client. — Shall be able to explain the plan. — Shall be able to obtain an agreement to the assumptions utilized. — Shall be able to obtain an agreement to proceed. </td></tr></table>	a) Knowledge/understanding	b) Skills	— Shall understand the comprehensive nature of financial planning. — Shall understand how the various areas of a client's financial life interact.	— Shall be able to compile the various components into a logical and appropriate financial plan for a client. — Shall be sure the recommendations answer the questions of who, what, when, where, why and how. — Shall be able to evaluate alternative strategies and determine how they could affect the overall financial plan. — Shall be able to evaluate a comprehensive financial plan to determine if it meets the needs and stated objectives of a client. — Shall be able to explain the plan. — Shall be able to obtain an agreement to the assumptions utilized. — Shall be able to obtain an agreement to proceed.
a) Knowledge/understanding	b) Skills					
— Shall understand the comprehensive nature of financial planning. — Shall understand how the various areas of a client's financial life interact.	— Shall be able to compile the various components into a logical and appropriate financial plan for a client. — Shall be sure the recommendations answer the questions of who, what, when, where, why and how. — Shall be able to evaluate alternative strategies and determine how they could affect the overall financial plan. — Shall be able to evaluate a comprehensive financial plan to determine if it meets the needs and stated objectives of a client. — Shall be able to explain the plan. — Shall be able to obtain an agreement to the assumptions utilized. — Shall be able to obtain an agreement to proceed.					

Table 1 (continued)

Step	Process					
5	Implementing the financial planning recommendations					
	A	Personal financial planners shall be able to prepare documentation that summarizes the objectives and implementation strategies as agreed with the client. <table><tr><td>a) Knowledge/understanding</td><td>b) Skills</td></tr><tr><td> — Shall know implementation procedures, products and legal requirements. </td><td> — Shall be able to communicate, coordinate and reconcile the agreed solutions with the client. — Shall be able to carry out the agreed implementation strategies with the client. — Shall be able to review the financial plan with the client's other professional advisors. </td></tr></table>	a) Knowledge/understanding	b) Skills	— Shall know implementation procedures, products and legal requirements.	— Shall be able to communicate, coordinate and reconcile the agreed solutions with the client. — Shall be able to carry out the agreed implementation strategies with the client. — Shall be able to review the financial plan with the client's other professional advisors.
a) Knowledge/understanding	b) Skills					
— Shall know implementation procedures, products and legal requirements.	— Shall be able to communicate, coordinate and reconcile the agreed solutions with the client. — Shall be able to carry out the agreed implementation strategies with the client. — Shall be able to review the financial plan with the client's other professional advisors.					
	B	Personal financial planners shall either carry out the implementation strategy or assist the client in implementing the plan as agreed with the client. <table><tr><td>a) Knowledge/understanding</td><td>b) Skills</td></tr><tr><td> — Shall understand the various applicable legal and regulatory requirements in respect to products and/or services recommended. — Shall know the roles and responsibilities of other professionals. — Shall know their own professional limitations and restrictions. </td><td> — Shall be able to establish which strategies the personal financial planner will be implementing. — Shall be able to establish which strategies the client will be implementing. — Shall be able to establish who will be implementing the remaining strategies as agreed with the client. — Shall be able to communicate with the client to determine the status of the plan implementation. — Shall be able to work with the client to modify the plan if a change is indicated during the implementation stage. </td></tr></table>	a) Knowledge/understanding	b) Skills	— Shall understand the various applicable legal and regulatory requirements in respect to products and/or services recommended. — Shall know the roles and responsibilities of other professionals. — Shall know their own professional limitations and restrictions.	— Shall be able to establish which strategies the personal financial planner will be implementing. — Shall be able to establish which strategies the client will be implementing. — Shall be able to establish who will be implementing the remaining strategies as agreed with the client. — Shall be able to communicate with the client to determine the status of the plan implementation. — Shall be able to work with the client to modify the plan if a change is indicated during the implementation stage.
a) Knowledge/understanding	b) Skills					
— Shall understand the various applicable legal and regulatory requirements in respect to products and/or services recommended. — Shall know the roles and responsibilities of other professionals. — Shall know their own professional limitations and restrictions.	— Shall be able to establish which strategies the personal financial planner will be implementing. — Shall be able to establish which strategies the client will be implementing. — Shall be able to establish who will be implementing the remaining strategies as agreed with the client. — Shall be able to communicate with the client to determine the status of the plan implementation. — Shall be able to work with the client to modify the plan if a change is indicated during the implementation stage.					

Table 1 (continued)

Step	Process					
6	Monitoring the financial plan and the financial planning relationship					
	A	Personal financial planners shall be able to monitor changes in a client's situation, needs, and objectives on an ongoing basis and revise the financial plan if necessary. <table><tr><td>a) Knowledge/understanding</td><td>b) Skills</td></tr><tr><td> — Shall understand how changes in a client's personal circumstances and tolerance for risk may impact the financial plan. </td><td> — Shall be able to monitor changes in a client's situation in accordance with the terms of engagement and recognize when changes are needed in the financial plan. — Shall be able to update a client's financial plan as situations dictate. — Shall be able to explain the changes to the financial plan along with the expected impact of the changes to the client. </td></tr></table>	a) Knowledge/understanding	b) Skills	— Shall understand how changes in a client's personal circumstances and tolerance for risk may impact the financial plan.	— Shall be able to monitor changes in a client's situation in accordance with the terms of engagement and recognize when changes are needed in the financial plan. — Shall be able to update a client's financial plan as situations dictate. — Shall be able to explain the changes to the financial plan along with the expected impact of the changes to the client.
a) Knowledge/understanding	b) Skills					
— Shall understand how changes in a client's personal circumstances and tolerance for risk may impact the financial plan.	— Shall be able to monitor changes in a client's situation in accordance with the terms of engagement and recognize when changes are needed in the financial plan. — Shall be able to update a client's financial plan as situations dictate. — Shall be able to explain the changes to the financial plan along with the expected impact of the changes to the client.					
	B	Personal financial planners shall be able to monitor changes in the financial, economic, regulatory, legislative and political environment that could affect a client's situation and revise the financial plan if necessary while the client relationship is maintained. <table><tr><td>a) Knowledge/understanding</td><td>b) Skills</td></tr><tr><td> — Shall understand changes in financial, economic, regulatory, legislative and political areas and the effect such changes might have on the personal situation and financial plan of a client. </td><td> — Shall be able to recognize when financial, economic, regulatory, legislative and political changes create a situation where a client's financial plan should be updated. — Shall be able to update a client's financial plan as financial, economic, regulatory, legislative and political situations dictate. — Shall be able to explain the changes to the financial plan along with the expected impact of the changes to the client. </td></tr></table>	a) Knowledge/understanding	b) Skills	— Shall understand changes in financial, economic, regulatory, legislative and political areas and the effect such changes might have on the personal situation and financial plan of a client.	— Shall be able to recognize when financial, economic, regulatory, legislative and political changes create a situation where a client's financial plan should be updated. — Shall be able to update a client's financial plan as financial, economic, regulatory, legislative and political situations dictate. — Shall be able to explain the changes to the financial plan along with the expected impact of the changes to the client.
a) Knowledge/understanding	b) Skills					
— Shall understand changes in financial, economic, regulatory, legislative and political areas and the effect such changes might have on the personal situation and financial plan of a client.	— Shall be able to recognize when financial, economic, regulatory, legislative and political changes create a situation where a client's financial plan should be updated. — Shall be able to update a client's financial plan as financial, economic, regulatory, legislative and political situations dictate. — Shall be able to explain the changes to the financial plan along with the expected impact of the changes to the client.					

6.3 Demonstration of initial competence

Candidates for assessment shall demonstrate the cognitive level described in Table 1 for measuring knowledge, understanding, application and/or skills.

Candidates for assessment shall demonstrate characteristic outcomes equal to or greater than the level set out in Table 2.

NOTE This is Level 8 in the Scottish Credit and Qualification Framework, as described in Annex A.

Table 2 — Necessary characteristic outcomes for minimum assessment level

Knowledge and understanding	Practise: Applied knowledge and understanding	Generic cognitive skills	Communication, information technology and numeracy skills	Autonomy, accountability and working with others
Demonstrate and/or work with: — a broad knowledge of the scope, defining features, and main areas of a subject/discipline; — detailed knowledge in some areas; — understanding of a limited range of core theories, principles and concept; — limited knowledge and understanding of some major current issues and specialism; — an outline knowledge and understanding of research and equivalent scholarly/ academic processes.	a) Use a range of routine skills, techniques, practises and/or materials associated with a subject/ discipline, a few of which are advanced or complex. b) Carry out routine lines of enquiry, development or investigation into professional level problems and issues. c) Adapt routine practises within accepted standards.	a) Undertake critical analysis, evaluation and/or synthesis of ideas, concepts, information and issues which are within the common understandings of the subject/ discipline. b) Use a range of approaches to formulate evidence-based solutions/ responses to defined and/or routine problems/issues. c) Critically evaluate evidence-based solutions/ responses to defined and/or routine problems/ issues.	Use a range of routine skills and some advanced and specialized skills associated with a subject/ discipline, for example: — convey complex information to a range of audiences and for a range of purposes; — use a range of standard applications to process and obtain data; — use and evaluate numerical and graphical data to measure progress and achieve goals/targets.	a) Exercise autonomy and initiative in some activities at a professional level. b) Take significant managerial or supervisory responsibility for the work of others in defined areas of work. c) Manage resources within defined areas of work. d) Take the lead on planning in familiar or defined contexts. e) Take continuing account of own and others' roles, responsibilities and contributions in carrying out and evaluating tasks. f) Work in support of current professional practise under guidance. g) Deal with ethical and professional issues in accordance with current professional and/or ethical codes or practices under guidance.
NOTE levels. Annex A provides further information and shows how this assessment level fits into the broader qualification and learning				

6.3.1 Assessment methods

The following assessment methods should be considered in demonstrating initial competence:

- a) written examination;
- b) multiple-choice examination;
- c) portfolio of evidence, which may include some or all of:
 - 1) individual performance measurements such as:
 - spread of business: to ensure that the planner is not concentrating on the sale of a particular product instead of giving the client an overall financial plan;
 - persistency: to measure the extent to which clients maintain their personal financial planner's implemented strategies;
 - implementation: measures how often a client says they will take the advice of the planner and then does not take up the recommendations;
 - repeat business: to measure how well planners take care of their existing clients;
 - complaints: timeliness and accuracy of response;
 - compliance: to measure compliance with local laws and regulations;
 - administration and record keeping: quality and precision of written work and records;
 - adherence to codes of practice of relevant industry bodies;
 - 2) random examination of complete files of current clients;
 - 3) case studies;
 - 4) oral assessment;
 - 5) client satisfaction survey;
 - 6) work-based assessment;
 - 7) scripted answer examinations.

6.3.2 Evaluation process

The evaluation process utilized to ascertain if a personal financial planner is compliant with this International Standard shall be appropriate to the competence level set forth in this International Standard. Furthermore, the evaluation process shall cover all of the elements set forth by the International Standard as compliance with the entire International Standard is required.

6.4 Demonstration of continuing competence

6.4.1 Beyond initial certification or declaration of conformity

Personal financial planners shall be able to demonstrate continuing competence based upon the requirements set forth in this International Standard after obtaining initial certification or declaration of conformity.

6.4.2 Requirements for continuing education

The principal topics of continuing education programmes for personal financial planners shall address the requirements for core competences set forth by this International Standard. The levels of continuing education should enable the planner to demonstrate the most current competence requirements. The emphasis of continuing education shall be placed on learning outcomes.

6.4.3 Content of continuing education

Continuing education should include one or more of the following activities in areas related to personal financial planning:

- a) attending courses, conferences, seminars or workshops;
- b) actively participating in discussion meetings or similar events;
- c) giving presentations in classes, symposiums or similar events;
- d) teaching areas of financial planning;
- e) writing books or publishing professional articles;
- f) attending group studies, listening to audiotape programmes, viewing video programmes, using relevant media, technical reading and learning with computer-based training programs;
- g) earning professional licenses or designations related to personal financial planning upon the successful completion of the examinations;
- h) passing continuing education tests provided that the tests cover required topics and aim at maintaining professional competences.

Personal financial planners should ensure that their continuing education programme covers any topics necessary to maintain professional competence. Personal financial planners should use a programme that is offered or recognized by one of the certification/professional bodies where available.

Personal financial planners should plan and evaluate their continuing education programme on an ongoing basis.

Personal financial planners shall complete and maintain their records of learning or relevant activities upon completion and maintain copies for a period of three years.

7 Experience

7.1 General

Experience helps ensure that the quality of advice delivered by the personal financial planner will benefit the consumer and preserve the integrity of the profession.

Experience involves a general understanding, working knowledge and practical application of financial planning.

For the personal financial planner to provide a personal financial planning service to a client, it is necessary for the personal financial planner to have developed, through experience, the ability to apply the six-step financial planning process in an ethical manner as specified in Clause 5, and to have all the competences as specified in Clause 6.

7.2 Constitution of experience

7.2.1 Experience of personal financial planners shall be constituted by:

- a) face-to-face relationships and ongoing communications with clients and application of the personal financial planning process, as specified in 4.2 to 4.7;
- b) ethical behaviour, as specified in 5.2;
- c) application of skills and knowledge, as specified in 6.2 to 6.4.

7.2.2 Personal financial planners shall have experience in each of the six steps of the personal financial planning process.

7.3 Experience requirements

7.3.1 The experience requirement, as defined in 7.2, shall be three years. Alternatively, two years as defined in 7.2 are required, together with one year's equivalent experience which may be credited from the activities shown in 7.3.2. This should occur within a period of seven years immediately preceding initial certification or declaration of conformity with this International Standard.

7.3.2 One year's equivalent experience may be gained, whether for remuneration or not, from one of the following:

- a) two years of supporting activities, in a personal financial planning environment, related to the practical application of any of the six steps of the personal financial planning process;
- b) two years of teaching or training in the personal financial planning process;
- c) two years of activities related to personal financial planning undertaken within an affiliated profession;
- d) five years of other suitable activities which are relevant to any of the competences required in the six steps of the personal financial planning process;
- e) a recognized college or university degree in financial planning or a related discipline that is assessed at least at a bachelor level.

8 Claiming conformity

NOTE In accordance with the relevant definitions given in ISO/IEC 17000, the terms “certify,” “certification” and “certified” are used in this International Standard to describe only the issuance of an attestation document by an independent third-party certification body. The terms “declare,” “declaration” and “declared,” appropriately qualified, are used to identify the issuance of an attestation document by any body other than an independent third-party certification body.

8.1 Presentation of claim

Personal financial planners claiming conformity with this International Standard shall do so in hard copy, electronic media or any other suitable medium in accordance with ISO/IEC 17050 (all parts).

8.2 Scope of claim

Personal financial planners claiming conformity shall address all of the provisions of this International Standard.

8.3 Basis of claim

8.3.1 Type of conformity assessment

The claim shall identify the type of conformity assessment undertaken and make reference to the relevant International Standards, guides and other normative statements used to support the claim.

8.3.2 Third-party certification

Personal financial planners should be aware that consumers are likely to have the greatest confidence in those personal financial planners certified by bodies accredited to ISO/IEC 17024.

A personal financial planner seeking to meet this highest level of expectation shall at a minimum seek such assessment from an independent third-party certification body able to demonstrate its compliance with ISO/IEC 17024 and which has certification to this International Standard within its scope.

8.3.3 Other-party assessment

In the absence of an independent third-party certification body, personal financial planners should seek an alternative assessment method that will provide the next highest level of confidence for consumers.

Various arrangements exist or can be envisaged within which bodies other than independent third-party certification bodies could assess and declare conformity to this International Standard.

The personal financial planner shall satisfy himself/herself that any such scheme has been structured to comply with relevant sections of ISO/IEC 17024, and that it provides for external validation.

8.3.4 Self assessment

Personal financial planners for whom neither of the above is a realistic option may rely on their own self-assessment, but in doing so they should be aware that consumers are likely to have the least confidence in this option.

Personal financial planners shall demonstrate to consumers and clients, or any other interested party, how they have made this assessment. The appropriate method for self-assessment and for presentation of the results is through the application of ISO/IEC 17050 (all parts).

8.4 Identification of the basis of claim

All claims of conformity with this International Standard shall include identification of the basis of the claim using the appropriate form of disclosure:

- in the case of third-party certification (8.3.2): ISO 22222 (identification of certifying body) certified;
- in the case of other-party assessment (8.3.3): ISO 22222 (identification of assessing body) declared;
- in the case of self assessment (8.3.4): ISO 22222 self-declared.

Annex A (informative)

Scottish credit and qualifications framework level descriptors

A.1 General considerations

Level descriptors are an established method of evaluating learning, both vocational and academic. A level descriptor sets out the characteristic general outcomes which can be demonstrated at a particular level of learning. They are intended to provide a general, shared understanding of each learning level, and to enable broad comparisons between qualifications and learning at different levels. A set of level descriptors can be used to describe increasingly advanced levels of learning and educational achievement. Attainment of the characteristic general outcomes specified by a particular level descriptor depends on factors such as complexity and depth of knowledge linked to qualifications associated with academic, vocational and professional practice, and to the degree of autonomy exercised by a learner.

This International Standard utilizes the set of level descriptors established as the Scottish Credit and Qualification Framework (SCQF). The drafting committee is grateful to the SCQF Joint Advisory Committee for permission to use the framework. Further details on the SCQF can be found at <<http://www.scqf.org.uk>>.

There are 12 SCQF level descriptors, each specifying characteristic general outcomes associated with increasing levels of learning. Level 1 relates to outcomes designed for learners with severe and profound learning difficulties, whilst Level 12 relates to outcomes associated with doctoral level studies. Table A.1 maps Scottish Qualifications Authority units, courses and group awards; higher education; and Scottish vocational qualifications to each of the SCQF levels. Levels 6 to 11 are included in this annex to provide context for the required minimum characteristic general outcomes contained in 6.3 (Table 2).

Each SCQF level descriptor categorizes the general outcomes of learning at that level under five broad headings:

- a) knowledge and understanding (mainly subject-based);
- b) practice (applied knowledge and understanding);
- c) generic cognitive skills (e.g. evaluation, critical analysis);
- d) communication, information technology and numeracy skills;
- e) autonomy, accountability and working with others.

Adoption of the SCQF level descriptor framework allows assessors to design and review local educational programmes that meet the level of learning requirements mandated by this International Standard. Assessors charged with assigning a particular level to a local qualification or programme should employ an approach that identifies both a particular SCQF level descriptor which matches, along with prior and successive SCQF level descriptors which do not match. Note that the SCQF level descriptors are not intended to give precise or comprehensive statements and there is no expectation that every qualification or programme should have all of the characteristics described by a particular level descriptor.

Table A.1 — SCQF relationships

SCQF level	Scottish Qualifications Authority national units, courses and group awards	Higher education	Scottish vocational qualifications
12		Doctorate	
11		Masters	SVQ 5
10		Honours degree Graduate diploma	
9		Ordinary degree Graduate certificate	
8		Higher national diploma Diploma in higher education	SVQ 4
7	Advanced higher		
6	Higher		SVQ 3
5	Intermediate 2 credit standard grade		SVQ 2
4	Intermediate 1 general standard grade		SVQ 1
3	Access 3 foundation standard grade		
2	Access 2		
1	Access 1		