

No. 983

6 October 2006

**SOUTH AFRICAN QUALIFICATIONS AUTHORITY (SAQA)**

In accordance with regulation 24(c) of the National Standards Bodies Regulations of 28 March 1998, the Standards Generating Body (SGB) for

Banking and Micro Finance

Registered by Organising Field 03, Business, Commerce and Management Studies, publishes the following qualification for public comment.

This notice contains the titles, fields, sub-fields, NQF levels, credits, and purpose of the qualification. The qualification can be accessed via the SAQA web-site at www.saga.org.za. Copies may also be obtained from the Directorate of Standards Setting and Development at the SAQA offices, Hatfield Forum West, 1067 Arcadia Street, Hatfield, Pretoria.

Comment on the qualification should reach SAQA at the address **below and no later than 5 November 2006**. All correspondence should be marked **Standards Setting – SGB for Banking and Micro Finance** and addressed to

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SOUTH AFRICAN QUALIFICATIONS AUTHORITY

QUALIFICATION:

National certificate: Financial Planning

SAQA QUAL ID	QUALIFICATION TITLE		
57695	National Certificate: Financial Planning		
SGB NAME	ORGANISING FIELD ID	PROVIDER NAME	
SGB Banking and Micro Finance	3		
QUAL TYPE	ORGANISING FIELD DESCRIPTION	SUBFIELD	
National Certificate	Business, Commerce and Management Studies	Finance, Economics and Accounting	
ABET BAND	MINIMUM CREDITS	NQF LEVEL	QUALIFICATION CLASS –
Undefined	120	Level 6	Regular-ELOAC

PURPOSE AND RATIONALE OF THE QUALIFICATION

Purpose:

The overall purpose of this qualification is:

- > To promote the development of knowledge and skills that are required in the Financial Planning industry.
- > To assist learners to achieve their full potential in the Financial Planning sector.
- > To enhance opportunities for both existing and prospective learners' career progression in this sector.
- > To provide opportunities for life-long learning for individuals in the Financial Planning industry.

The qualification also equips learners with the skills and competencies to effectively run their own practice by studying business management and the intricacies of advanced aspects of legislation and taxation. These enabling aspects are imperative for successful application of the principles of Financial Planning and to focus on personal Financial Planning in this specialized qualification. Upon successful completion, qualifying learners will have a detailed understanding of personal and corporate Financial Planning and taxation principles as well as fundamental legal concepts.

It is intended to empower learners to acquire knowledge, skills, attitudes, and values required to operate confidently and respond to the challenges of the South African economic environment. It should add value to the qualifying learner in terms of enrichment of person, status, and recognition.

> This qualification provides a framework for learners to develop competencies that will give them insight into Financial Planning which include personal, corporate, and tax planning.

> The qualification introduces a fundamental understanding of the key terms, rules concepts, and principles that will enable learners to be informed workers in the sector.

Rationale:

The National Certificate: Financial Planning is designed to meet the needs of learners in a variety of positions in the Financial Planning sector. It is a generic qualification with a specialisation in a selected career in Financial Planning and to comply, as required, with the Financial Advisory and Intermediary Services Act (FAIS) (Act 37 of 2002).

The National Certificate: Financial Planning allows the learner to gain entry to a Level 7 qualification that will then facilitate access to the Board exam set by the Institute of Financial Planners and, if passed, to receive the accreditation of "Certified Financial Planner" (CFPO).

The qualification aims to develop informed and skilled qualifying learners and is sufficiently flexible to accommodate learners already employed in the Financial Planning sector. The qualification is a continuation

and further development of a career path in the Financial Planning sector. The skills, knowledge, values, and attitudes acquired in the course of completing this qualification are building blocks necessary for employment and advancement in the Financial Planning arena or for further graduate or postgraduate studies.

This qualification is designed to contribute to the learner's employability and marketability both in the formal, financial services sector as well as related industries thereby contributing to the economic and social up-skilling of the South African workforce.

Since the Financial Services and Banking industries are highly specialised, they demand a high work ethic with the specific knowledge, skills and qualities needed in the Financial Planning sector.

This qualification provides an opportunity for learners to learn and apply academic skills in relation to the workplace and will allow for multi-skilling.

The focus is on information gathering, analysis, evaluation, presentation, and the ability to apply knowledge of Financial Planning to solve problems within a familiar context.

RECOGNIZE PREVIOUS LEARNING?

Y

LEARNING ASSUMED TO BE IN PLACE

Learners who register for this qualification are assumed to have completed a Level 5 Certificate or appropriate, equivalent that will have provided them with the required literacy, numerical ability, and competence to undertake studies at NQF Level 6.

Learners ought to have the following competencies:

- > English proficiency - literacy and communication at NQF Level 4 or equivalent knowledge.
- > Numeracy (Mathematics or Accountancy) at NQF Level 4 or equivalent knowledge.
- > Competence, proficiency and knowledge consistent with the Certificate in Financial Planning (NQF Level 5).

Recognition of Prior Learning:

This qualification can be achieved wholly or in part through recognition of prior learning, which where necessary, must be contextualised in terms of competence in financial planning.

Evidence can be presented in a variety of forms, including international or previous local qualifications, reports, testimonials mentioning functions performed, work records, portfolios of evidence and performance records.

All such evidence should be judged according to the general principles of assessment described in the notes to assessors.

It should be noted that whilst a qualification may be recognized in part or whole through the mechanism of RPL, it would be a challenging process for the learner in that a comprehensive demonstration of capability and knowledge will be required. Assessment will take place through the preparation of a demanding Portfolio of Evidence and/or a challenge examination/s.

Access to the qualification:

For access to the National Certificate: Financial Planning (NQF Level 6), learners must be in possession of:

- > An appropriate, accredited NQF Level 5 equivalent.

OR

- > An appropriate, accredited Bachelor's degree NQF Level 6 in, for example, commerce, law etc.

QUALIFICATION RULES

- > Fundamental: 36 credits at NQF Level 6.
- > Core: 54 credits at NQF Level 6.
- > Electives: 30 credits at NQF Level 6.

> Total: 120 credits at NQF Level 6.

Learning with regard to Fundamental, Core and Elective:

> Fundamental:

- > Legal Aspects of Financial Planning.
- > Taxation for Financial Planners.

> Core:

- > Personal Financial Planning for Financial Planners.
- > Corporate Financial Planning for Financial Planners.
- > Practical Application for Financial Planners (Case Study)

> Elective:

- > Business Management for Financial Planners.
- > Business Principles.

EXIT LEVEL OUTCOMES

1. Apply knowledge of legislation, compliance and ethics in a financial planning context in South Africa.
2. Examine the changing nature of the financial planning environment in South Africa in terms of structure and role players, regulation and consumer needs.
3. Apply knowledge of legislation, taxation, economics and accepted financial planning principles to solve the financial dilemmas of an individual.
4. Apply knowledge of legislation, taxation and business principles to advise a business on insurance and investment solutions.

Critical Cross-Field Outcomes:

1. Identify, systematically examines, critically evaluates and solves problems in which responses display that responsible decisions have been made, using critical and creative thinking:
 - > Solve problems by methodically exploring the issues and reflecting on given data to establish a variety of solutions by also considering the current and alternative circumstances in which problems should be solved.
 - > Interpret complex data within strict regulations and apply problem solving skills (using mathematical, communication and industry specific skills) to resolve and correct data and/or situation.
2. Organize and manage oneself and one's activities responsibly and effectively:
 - > Activities are clearly planned and organized to achieve learning outcomes within specified timeframes.
 - > Demonstrates attention to detail in carrying out tasks methodically and in a well-ordered manner.
 - > Achieves set deadlines through the effective use of available and allocated resources.
3. Collects, analyses, organizes and critically evaluates information:
 - > Data and information is accurately evaluated for purpose, clarification and understanding.
 - > Data and information are analysed in order to effectively identify key facts and/or elements.
 - > Critical and reflective thinking is used to interpret and organize information and data appropriately.
4. Demonstrate an understanding of the world as a set of related systems by recognizing that problem solving contexts do not exist in isolation:
 - > Behaviour and actions are sensitive to the various cultures, working environments and sectors.
 - > Actions are conducted with honesty and integrity by adhering to a code of conduct.

> Accountable for own actions.

5. Self manage skills development from the range of experiences and learning opportunities available:

> Opportunities are maximized to gain learning and understanding from others.

> Tasks, assignments, activities and the learning experience are maximized for personal benefit (completion of this qualification).

6. Transfer skills and continuous learning to organizational setting:

> Successful application of knowledge, understanding and inference of information into the workplace/practical environment, activities and processes.

ASSOCIATED ASSESSMENT CRITERIA

1:

> Legislation that impacts financial planning practice in South Africa is analysed to determine the impact and scope of its application to personal and business financial planning.

> The requirements of the Codes of Conduct of FAIS are integrated into the business of financial planning.

> Own operations are managed within the parameters set by compliance and legislation.

> An understanding of ethical behaviour and the way in which ethics inform a code of conduct in the financial planning sector are demonstrated.

> The relationship between ethics and compliance legislation is examined against the background of client interaction, responsible business practice and contribution to an ethical business environment in South Africa.

2:

> The role players in the industry are identified and categorized and the relationship amongst them is explained.

> The impact that changes to social and moral principles in society have on financial planning principles and legislation are debated.

> The challenges and opportunities in the business environment in South Africa are identified and ways of addressing these in a financial planning practice are proposed.

3:

> Specialist technical knowledge is applied to advise a client on risk, retirement, estate, health and investment scenarios.

> Integrated solutions for complex financial planning problems are generated in a manner that is both practical and compliant.

> Financial solutions are communicated to the client in a manner that is understandable and clear against the background of the requirements of the FAIS legislation.

4:

> The financial statements and financial standing of a business are analysed to identify needs and risks.

> Specialised technical knowledge is applied to propose insurance and investment solutions based on the needs and wants identified.

> Financial solutions are related to the client in a manner that is professional and compliant.

Integrated assessment:

Applied competence (practical, foundational and reflexive competencies with regard to financial planning, legislation and policy, financial products and communication and skills) of this qualification will be achieved if a learner can integrate the various exit level outcomes to be able to perform as a financial planner in the South African financial context, by providing appropriate financial products and advice to clients.

Ongoing formative assessment is required so that learners are given feedback on their progress in the achievement of learning outcomes. Summative assessment is concerned with the judgement of the learning in relation to the exit level outcomes of the qualification, which tests the learner's ability to integrate financial planning, legislation and policy, financial products, communication and skills and service delivery values. The assessment methods must include observation, simulations, case studies and other similar techniques are used to provide a context (e.g. during interaction with clients), product evaluation (e.g. financial products presented to clients) and questioning (oral and/or written) to provide sufficient opportunity to the learner to demonstrate applied competence.

Integrated assessment at the level of this qualification provides an opportunity for learners to show they are

able to integrate concepts, ideas, skills, values and actions across the exit level outcomes to achieve competence that is grounded in and coherent in relation to the purpose of the qualification. When providing information and assistance to a client, the financial planner must understand and display legal and non-legal knowledge and knowledge of policies relevant to the client's problem; use communication skills; maintain a database of suitable referral organisations and address the case with professional and ethical conduct.

Integrated assessment must judge not only the quality of the observable performance but also the thinking and understanding that underpins it. Assessment tools must also encourage learners to give an account of the thinking and decision-making that forms the basis for their demonstrated performance. An integrated mix of task-orientated and theoretical assessment tools should be used with the ultimate focus being on the assessment of applied competence.

Assessors must use a range of tools to test demonstrated competence in practical situations (e.g. interaction with clients during the presentation of financial advice and services) as well as oral or written examination (on application of fundamental legal and financial knowledge), that integrates the assessment of all the exit level outcomes.

Assessment should ensure that all exit level outcomes, embedded knowledge and critical cross-field outcomes are evaluated. The assessment of the Critical Cross-Field Outcomes should be integrated with the assessment of the Exit Level Outcomes and embedded knowledge.

Assessment practices must be fair, transparent, valid and reliable and should ensure that no learner is disadvantaged.

INTERNATIONAL COMPARABILITY

Benchmarking was done by comparison of outcomes, credits & duration of programmes against qualifications from:

- > New Zealand.
- > Australia.
- > Britain.
- > Accredited colleges and universities in the United States.

Specifically, this qualification is benchmarked against and designed incorporating the requirements set by the Board for Certified Financial Planners; accordingly it addresses the required subject areas as required by the Board and the South African recognised institution the Financial Planners Institute (FPI).

The topics cover major planning areas such as:

- > General principles of financial planning.
- > Insurance planning.
- > Employee benefits planning.
- > Investment planning.
- > Income tax planning.
- > Retirement planning.
- > Estate planning.

Although education is a fundamental part of achieving CFP® certification, fulfillment of the education requirement does not automatically equate to preparedness to the CFPQ Certification Examination. The institution is committed to delivering an education programme which is internationally comparable and not a test-preparation programme, although the institution must be aware that learners would like to pass the CFP® Certification Examination for career advancement purposes.

A survey of various providers demonstrates that a number of international universities offer Certificate and Diploma programmes in Financial Planning and generally focus on the above-mentioned major planning areas.

Specifically, Kaplan University has a distance-learning programme structured as follows:

- > Personal Financial Process and Data Gathering.
- > Personal Financial Statements, Budgeting and Personal Financial Management.
- > Regulation of Financial Planning.
- > The Economic Environment.
- > Business Planning.
- > Property Legal Characteristics.

> Planning for Life.

This is a one-year Diploma with an examination for each module. In the prospectus of the University it clearly states that credits for subjects can be considered; however proof is to be given that the legislation of the country of origin of the Financial Planner has been addressed in the coursework.

The degree of difficulty, notional learning time, the outcomes and assessment criteria have been compared and found to be on par with this proposed qualification. The qualification was also compared with other programmes offered by Florida State University which is accredited by the Southern Association of Colleges and Schools (SACS), and FSU's Certificate in Financial Planning Programme which is registered with CFP Board in Denver, Colorado.

Based on the research done, this qualification incorporates the latest standards and practices in the discipline while well-qualified academics and industry practitioners act as external examiners and moderators of the programme.

The institution has no reason to doubt that the quality and content of this programme meets international standards.

This qualification will be subject to regular review given the needs of the financial planning industry, which by definition is subject to global trends and competition.

ARTICULATION OPTIONS

The design of this qualification offers educational and career pathways to learners with opportunities for articulation with other programmes within and across institutions, where possible.

Vertical articulation:

> The National Certificate: Financial Planning provides a sound basis in Financial Planning for those learners who wish to progress to be eligible to apply for admission to Post Graduate Diplomas at various tertiary institutions such as UNISA, the University of Johannesburg and the University of the Free State and on completion thereof is admitted to the CFP Board Examination as conducted by the Financial Planning Institute.

> In addition, vertical articulation is possible with the following South African qualifications:

> UNISA, University of the Free State, University of Johannesburg and University of Stellenbosch: B-Com; BA Financial Planning or Risk Management.

Horizontal articulation:

> Learners are able to transfer to the following programmes:

> 50352: Bachelor of Commerce: Banking Management, NQF Level 6, 363 Credits (Damelin School of Banking and Insurance).

MODERATION OPTIONS

Assessors must develop suitable assessment instruments that adhere to the basic principles of assessment, assessment criteria and adequately cover the exit-level outcomes in relation to the purpose of the qualification.

Anyone assessing a learner or moderating the assessment of a learner against this qualification must be registered as an assessor or moderator with a relevant Education and Training Quality Assurance (ETQA) Body or with an ETQA that has a Memorandum of Understanding with the relevant ETQA.

Any institution offering learning that will enable the achievement of this qualification must be accredited as a provider with the relevant ETQA or with an ETQA that has a Memorandum of Understanding with the relevant ETQA.

The provider will conduct integrated summative assessment internally with moderation being done by the relevant ETQA Body or by an ETQA that has a Memorandum of Understanding with the relevant ETQA.

Verification of assessments and moderation conducted will be overseen by the relevant ETQA or by an ETQA that has a Memorandum of Understanding with the relevant ETQA, according to the ETQA's policies

and guidelines for assessment and moderation.

Anyone moderating the assessment of a learner against this qualification must be appropriately qualified and hold a qualification at least a Level 7 in financial planning as well as having appropriate practical experience in the sector.

CRITERIA FOR THE REGISTRATION OF ASSESSORS

Assessors for this qualification will hold a Level 7 qualification in financial planning or will be competent in the outcomes of this qualification and have worked in financial planning matters for at least 3 years.

NOTES

NIA

UNIT STANDARDS

(Note: A blank space after this line means that the qualification is not based on Unit Standards.)

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