



# **ISLAMIC FINANCIAL PLANNER (IFP) PROGRAM**

**IFP SYLLABUS  
MODULE 1 TO 6**

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## Islamic Financial Planner (IFP)

<b>Module</b>	<b>One (1)</b>
<b>Title</b>	<b>Fundamentals of Islamic Financial Planning</b>
<b>Synopsis</b>	This course is designed to enable candidates to develop an appreciation of Islamic financial planning. Candidates are provided with an outline of each of the major concerns of a financial planner as preparation for the extensive study to be covered in the other courses of the IFP program. The module prepares candidates towards becoming a competent financial planner capable of meeting the financial planning needs of the client in conformity to Shariah.
<b>Objective</b>	The objective of this course is to provide an overview of the IFP program and basic knowledge of being an Islamic financial planner.
<b>Learning Outcomes</b>	Upon completion of the course, the participant is able to: <ol style="list-style-type: none"> <li>1. Understand Financial Planning</li> <li>2. Understand the financial planning industry and its regulatory structure</li> <li>3. Understand the differences between Islamic and conventional financial planning</li> <li>4. Understand the major financial planning components</li> <li>5. Understand the professional responsibilities and ethical conducts of a financial planner</li> <li>6. Create awareness towards Islamic financial planning</li> </ol>
<b>Topics covered</b>	<ol style="list-style-type: none"> <li>1. <b>Financial planning industry in Malaysia</b></li> <li>2. <b>Basics of Islamic Financial Planning</b></li> <li>3. <b>Islamic Financial Products and Services</b></li> <li>4. <b>Role of Islamic Financial Planner</b></li> <li>5. <b>Introduction to Risk Management and Takaful</b></li> <li>6. <b>Principles of Takaful and Insurance</b></li> <li>7. <b>Takaful Products</b></li> <li>8. <b>Responsibilities of a Takaful Agent</b></li> <li>9. <b>Shariah Overview of Investment</b></li> <li>10. <b>Basics of Investment</b></li> <li>11. <b>Islamic Investment Products</b></li> <li>12. <b>Approaching an Investment</b></li> <li>13. <b>Introduction to Zakat</b></li> <li>14. <b>Administration of Zakat in Malaysia</b></li> <li>15. <b>Tax Administration in Malaysia</b></li> <li>16. <b>Basics of Zakat and Tax Planning</b></li> <li>17. <b>Introduction to Estate and Waqf Planning</b></li> <li>18. <b>Understanding Estate Planning</b></li> <li>19. <b>Understanding Estate Administration Process</b></li> <li>20. <b>Understanding Waqf Planning</b></li> <li>21. <b>Overview of a Financial Plan</b></li> <li>22. <b>Introductory Case Studies</b></li> <li>23. <b>Professional Responsibilities of Islamic Financial Planner</b></li> <li>24. <b>Putting Ethical Values into Practice</b></li> </ol>

## IFP MODULE ONE COURSE OUTLINE

Title: **Fundamentals of Islamic Financial Planning**

### OVERVIEW

<b>1.0 Financial Planning Industry in Malaysia</b>	<b>1 hour</b>
1.1 Intro to Islamic finance and Financial planning movements	
1.2 Licensing regime of SC and BNM	
<b>2.0 Basics of Islamic Financial Planning</b>	<b>1 hour</b>
2.1 What is Financial Planning & Intro to the 6-step process	
2.2 Islamic worldview of financial planning & key differences to conventional	
<b>3.0 Islamic Financial Products and Services</b>	<b>1 hour</b>
3.1 Shariah Advisory in the development of Islamic financial products	
3.2 Supporting services – Tax & Zakat advisory and Estate planner	
<b>4.0 Role of Islamic Financial Planner</b>	<b>1 hour</b>
4.1 Understanding conflict of interest and ways to diffuse	
4.2 Code of Ethics	

### RISK MANAGEMENT AND TAKAFUL PLANNING

<b>5.0 Introduction to Risk Management and Takaful</b>	<b>1 hour</b>
5.1 Concept and philosophy of risk management	
5.2 Islamic view on Risk Management and Takaful	
5.3 The Takaful industry in Malaysia	
5.4 Regulatory framework in takaful industry	
<b>6.0 Principles of Takaful and Insurance</b>	<b>1 hour</b>
6.1 Key principles of Takaful	
6.2 Key principles of Insurance	
6.3 Basic differences between Takaful and Insurance	
6.4 Shariah contracts in Takaful business	
<b>7.0 Takaful Products</b>	<b>1 hour</b>
7.1 Meaning and types of risk	
7.2 General Takaful	
7.3 Family Takaful	
7.4 How funds are managed by Takaful operator	
<b>8.0 Responsibilities of a Takaful agent</b>	<b>1 hour</b>
8.1 Relationship between agent and client	
8.2 Section 25, 28 and 66 of Takaful Act 1984	
8.3 Code of ethics for Takaful agent	
8.4 Marketing and client service	

## IFP MODULE ONE COURSE OUTLINE

Title: **Fundamentals of Islamic Financial Planning**

### ISLAMIC INVESTMENT PLANNING

#### 9.0 Shariah Overview of Investment **2 hours**

- 10.1 Intro to Shariah
- 10.2 Sources of Islamic injunctions
- 10.3 Islamic worldview of Investment
- 10.4 Key principles of Islamic finance

#### 10.0 Basics of Investment **2 hours**

- 9.1 What is Investment, Risk and Return
- 9.2 Diversification of risk and Modern Portfolio Theory
- 9.3 Why Investment is necessary
- 9.4 Collective Investment Scheme

#### 11.0 Islamic Investment Products **2 hours**

- 11.1 Types of Investments and Intermediaries
- 11.2 Role of Shariah committee
- 11.3 Screening process of Shariah-compliant securities
- 11.4 Shariah concepts relating to investment

#### 12.0 Approaching an Investment **2 hours**

- 12.1 What to look for in a prospectus
- 12.2 Identifying risk
- 12.3 Risk tolerance
- 12.4 Timing of investment and the economic cycle

### ZAKAT & TAX PLANNING

#### 13.0 Introduction to Zakat **2 hours**

- 13.1 What is Zakat and its meaning
- 13.2 The difference between Zakat and Charity
- 13.3 Socio-economic aspects of Zakat - Distributive justice
- 13.4 Tithe in other religions

#### 14.0 Administration of Zakat in Malaysia **2 hours**

- 14.1 Zakat Framework in Malaysia – JZWH & State Religious authorities
- 14.2 Role of Zakat authorities – Collect & Distribute
- 14.3 Types of Zakat
- 14.4 Basics of Zakat on Business

#### 15.0 Tax Administration in Malaysia **2 hours**

- 15.1 Overview of Income Tax Law
- 15.2 Responsibilities of a Citizen and e-Filing
- 15.3 Understanding Form B & BE
- 15.4 Basics of Income & Allowances

#### 16.0 Basics of Zakat and Tax Planning **2 hours**

- 16.1 Fulfilling obligation and Tax minimization concept
- 16.2 Zakat obligations for individuals
- 16.3 Taking full advantage of tax deductions
- 16.4 Tax treatment of Zakat

## IFP MODULE ONE COURSE OUTLINE

Title: **Fundamentals of Islamic Financial Planning**

### ISLAMIC ESTATE & WAQF PLANNING

#### **17.0 Introduction to Estate & Waqf Planning** **2 hours**

- 17.1 Key objectives
- 17.2 Legal framework
- 17.3 Overview of Estate administration
- 17.4 Wealth ownership in Islam and Waqf

#### **18.0 Understanding Estate Planning** **2 hours**

- 18.1 Will, Wasiyah and Wisoyah
- 18.2 Faraid – Islamic law of inheritance
- 18.3 Hibah & Matrimonial Assets
- 18.4 Trust and Power of Attorney

#### **19.0 Understanding Estate Administration Process** **2 hours**

- 19.1 Executor and Administrator
- 19.2 Assets, Liabilities settlement and Distribution
- 19.3 Syariah court
- 19.4 Small estate

#### **20.0 Understanding Waqf Planning** **2 hours**

- 20.1 What is Waqf
- 20.2 Planning for life in the Hereafter
- 20.3 Creating a Waqf
- 20.4 Role of Waqf in society

### FINANCIAL PLAN CONSTRUCTION AND PROFESSIONAL RESPONSIBILITIES

#### **21.0 Overview of a Financial Plan** **2 hours**

- 21.1 Scope and basic structure of a Financial Plan
- 21.2 Identifying client's need according to Shariah
- 21.3 Matching products and services to client's goals
- 21.4 Execution and review process

#### **22.0 Introductory Case Studies** **2 hours**

- 22.1 Asking the right questions
- 22.2 Identification and prioritizing needs
- 22.3 Drawing up a plan
- 22.4 Testing and understanding the plan

#### **23.0 Professional Responsibilities of Islamic Financial Planner** **2 hours**

- 23.1 Relationship between financial planner and client
- 23.2 Duties to the client
- 23.3 Client's interest comes first
- 23.4 Negligence and professional liabilities

#### **24.0 Putting Ethical Values Into Practice** **2 hours**

- 24.1 Guidance from Shariah -*financial planning advisory as part of ibadah*
- 24.2 Code of Ethics for Islamic financial planner
- 24.3 Adopting the 6-steps of financial planning process
- 24.4 Overview of unethical practices and regulatory enforcement

**Total : 40 hours**

<p><b>References</b></p>	<p>Usmani, M. T., (2002), <i>An Introduction to Islamic Finance</i> , The Hague : Kluwer Law International</p> <p>Saiful Azhar Rosly (2002), <i>Readings in Islamic Financial Markets : Banking &amp; Finance, Investments, Takaful, Financial Planning</i>, Sincere Service Centre Sdn Bhd : Kuala Lumpur</p> <p>Bank Negara Malaysia (1999), <i>The Central Bank and The Financial System in Malaysia</i>, Kuala Lumpur</p> <p>Yusof, Mohd Fadzli (Dato'), <i>Introduction to Takaful</i>, Utusan Publications &amp; Distributors Sdn. Bhd: Kuala Lumpur</p> <p><i>Takaful (Islamic Insurance)</i> (1996), <i>Concept and Operational System – From The Practitioner’s Perspective</i>, BIRT: Kuala Lumpur</p> <p>Takaful Act 1984</p> <p>Securities Commission (2002), <i>Resolutions of the Securities Commission Shariah Advisory Council</i>, Securities Commission : Kuala Lumpur</p> <p>I.A. Imtiaz (2005), <b>A Model System For Assessment, Collection And Distribution Of Zakat</b>, <i>Journal Of Islamic Banking and Finance</i> , Vol. 2, Issue: 3, 1985, pages 25-79.</p> <p>Iqbal, M. and R. Wilson (eds) (2005), <i>Islamic Perspective on Wealth Creation</i> , Edinburgh University : Edinburgh</p> <p>Choong Kwai Fatt (2004). <b>Malaysian Taxation - Principles and Practice</b>, Tenth edition, Petaling Jaya: InfoWorld, 669 pages.</p> <p>Choong Kwai Fatt (2004). <b>How to Fill in Your Income Tax Return Form B</b>, First edition, Petaling Jaya: InfoWorld, 94 pages.</p> <p>Amir Bahari (2006). <b>Panduan Wasiat Islam dan Pentadbiran Harta Pusaka di Malaysia</b>, Muliaerat Sdn. Bhd: Kuala Lumpur</p>
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<b>Module</b>	<b>Two (2)</b>
<b>Title</b>	<b>Risk Management and Takaful Planning</b>
<b>Synopsis</b>	<p>This course is designed to assist candidates to develop a clear appreciation of the key concepts of risk management and Takaful planning. Candidates are provided with knowledge of the Shariah principles in Takaful, how Takaful is different from Insurance, various Takaful products for family and general, application of Takaful products in financial planning, and professional responsibilities of Takaful agent. The course prepares the candidate to be a professional Takaful agent having clear appreciation of his role as financial planner when giving advice to clients.</p> <p>Candidates will also be exposed with basic knowledge of conventional insurance.</p>
<b>Objective</b>	The objective of this course is to provide knowledge on risk management from conventional and Islamic perspective and its relation to Takaful, and to explain and familiarize with Takaful and its products and services.
<b>Learning Outcomes</b>	<p>Upon completion of the course, the participant is able to:</p> <ol style="list-style-type: none"> <li>1. Understand the fundamental concept of risk management</li> <li>2. Appreciate the concept of risk management from Islamic perspective and its relation to Takaful</li> <li>3. Appreciate the fundamentals of Takaful market including some common Shariah contracts applied and models adopted by takaful operators</li> <li>4. Understand the insurance concept and its products</li> <li>5. Address to clients on the main features of general and family Takaful products</li> <li>6. Advise clients on the benefits of takaful compared to insurance and takaful solutions</li> <li>7. Analyse case studies in Takaful Planning</li> </ol> <p>After completing this module, the candidate should be able to give advice on takaful planning.</p>
<b>Topics covered</b>	<ol style="list-style-type: none"> <li>1. <b>Introduction to Risk Management</b></li> <li>2. <b>Risk Management from Islamic Perspective</b></li> <li>3. <b>Principles of Takaful</b></li> <li>4. <b>Takaful Models</b></li> <li>5. <b>Introduction to Conventional Insurance Business</b></li> <li>6. <b>Products of General Insurance</b></li> <li>7. <b>Products of Life Insurance</b></li> <li>8. <b>Key Differences between Insurance and Takaful</b></li> <li>9. <b>Industry Structure of the Insurance and Takaful</b></li> <li>10. <b>Law and Regulatory Aspect in Takaful</b></li> <li>11. <b>Introduction to General Takaful</b></li> <li>12. <b>General Takaful Products</b></li> <li>13. <b>Introduction to Family Takaful</b></li> <li>14. <b>Family Takaful Products</b></li> <li>15. <b>Medical and Health Takaful</b></li> <li>16. <b>Practice of Family Takaful – Claims</b></li> <li>17. <b>Responsibilities of Takaful Agent</b></li> <li>18. <b>Analysis of Clients' Takaful Needs</b></li> <li>19. <b>Marketing and Code of Ethics</b></li> <li>20. <b>Case Studies in Takaful Planning</b></li> </ol>

## IFP MODULE TWO COURSE OUTLINE

Title: **Risk Management and Takaful Planning**

### OVERVIEW OF RISK MANAGEMENT, TAKAFUL AND INSURANCE

#### **1.0 Introduction to Risk Management** **2 hours**

- 1.1 Concept and Classification of Risks
- 1.2 Risk Management from Islamic Perspective
- 1.3 Basic Risk Management
- 1.4 Communal and Commercial Approach of Risk Sharing

#### **2.0 Principles of Takaful & Takaful Business Model** **2 hours**

- 2.1 Prohibited Elements for Takaful (riba, maisir, gharar)
- 2.2 The 7 Principles of Takaful
- 2.3 Applicable Contracts in Takaful
- 2.4 Takaful Models in Malaysia

#### **3.0 Introduction to Insurance** **2 hours**

- 3.1 Definition of Insurance
- 3.2 Functions of Insurance
- 3.3 Classes of Insurance
- 3.4 History of Insurance Industry

#### **4.0 Insurance products** **2 hours**

- 4.1 Concept of General Insurance
- 4.2 Products of General Insurance
- 4.3 Concept of Life Insurance
- 4.4 Products of Life Insurance

### INDUSTRY FRAMEWORK AND GENERAL TAKAFUL

#### **5.0 Regulatory and Industry Structure of Insurance and Takaful** **2 hours**

- 5.1 Takaful Act 1984 and Insurance Act 1996
- 5.2 Bank Negara Malaysia Circulars and Guidelines
- 5.3 Industry Associations – MTA, LIAM, PIAM, MITBA, NAMLIFA, etc
- 5.4 Consumer Protection – Financial Mediation Bureau (FMB)

#### **6.0 Key Differences between Insurance and Takaful** **2 hours**

- 10.1 Contractual Differences
- 10.2 Legal Framework
- 10.3 Roles of Shariah Advisory Council and Committee
- 10.4 Terminology – Contribution vs. Premium, Sharing vs. Transfer

#### **7.0 Introduction to General Takaful** **2 hours**

- 11.1 Concepts of General Takaful
- 11.2 Operational Aspect of General Takaful
- 11.3 Operational Workflow & Claims
- 11.4 Underwriting Surplus or Shortfall

#### **8.0 General Takaful Products** **2 hours**

- 12.1 Motor Takaful
- 12.2 Marine Takaful
- 12.3 Fire Takaful
- 12.4 Miscellaneous Takaful – Personal Accident, Theft, Liability, Fidelity Guarantee & Bond, Engineering and Aviation

## IFP MODULE TWO COURSE OUTLINE

Title: **Risk Management and Takaful Planning**

### **FAMILY TAKAFUL PRODUCTS**

#### **9.0 Introduction to Family Takaful** **2 hours**

- 9.1 Concepts of Family Takaful
- 9.2 Operational Aspect of Family Takaful
- 9.3 Operational Workflow
- 9.4 Underwriting Surplus or Shortfall

#### **10.0 Family Takaful Products** **2 hours**

- 10.1 Types of cover
- 10.2 Benefits under Family Takaful
- 10.3 Key terms and conditions
- 10.4 Salient features of Family Takaful

#### **11.0 Medical & Health Takaful** **2 hours**

- 11.1 Concepts of Medical & Health Takaful
- 11.2 Types of cover & Benefits
- 11.3 Exclusion clause
- 11.4 Third-party Administrator

#### **12.0 Practice of Family Takaful - Claims** **2 hours**

- 12.1 Introduction to Claims
- 12.2 Death and Maturity Claims
- 12.3 Claims Arising Under Personal Accident, Sickness and Permanent Health
- 12.4 Claims Register

### **INVESTMENT-LINKED AND BUSINESS TAKAFUL**

#### **13.0 Investment-Linked Takaful** **2 hours**

- 13.1 What is Investment-linked Takaful
- 13.2 Types of Investment funds
- 13.3 The difference between Family and Investment-linked
- 13.4 Understanding features of Investment-linked products

#### **14.0 Introduction to Business Takaful** **2 hours**

- 14.1 Overview of Business Takaful
- 14.2 Insurable interest and risk management issues
- 14.3 Risk treatments
- 14.4 Funding the solutions

#### **15.0 Business Takaful for Sole Proprietor and Partnership** **2 hours**

- 15.1 Overview of Succession planning
- 15.2 Buy-sell agreement
- 15.3 Valuation of the business
- 15.4 Family Takaful as the ideal solution

#### **16.0 Business Takaful for Company** **2 hours**

- 16.1 Keyman: Think outside of the Balance sheet
- 16.2 Valuing your Keyman and the HR aspects
- 16.3 Tax treatment of Keyman takaful
- 16.4 Buy-Sell between Shareholders

## IFP MODULE TWO COURSE OUTLINE

Title: **Risk Management and Takaful Planning**

### TAKAFUL AGENTS AND TAKAFUL PLANNING

<b>17.0 Responsibilities of Takaful Agent</b>	<b>2 hours</b>
17.1 Relationship between Agent and Takaful Operator	
17.2 Relationship between Agent and Client	
17.3 Responsibilities of agents under Sections 25, 28 and 66 of Takaful Act 1984	
17.4 Agent as Promoter of Islamic Finance	
<b>18.0 Analysis of Clients' Takaful Needs</b>	<b>2 hours</b>
18.1 Identifying the Clients' Needs	
18.2 Approaches to Quantify General Takaful Coverage	
18.3 Approaches to Quantify Family Takaful Coverage	
18.4 Matching Takaful Products to the Clients' Needs	
<b>19.0 Marketing and Code of Ethics</b>	<b>2 hours</b>
19.1 Approaching the Client	
19.2 Presentation of Takaful Solutions	
19.3 Clients' Interest Comes First	
19.4 MTA Code of Ethics for Agents	
<b>20.0 Case Studies in Takaful Planning</b>	<b>2 hours</b>
20.1 Asking the Right Questions	
20.2 Proposing a Solution	
20.3 Respecting Clients' Needs and Affordability	
20.4 Proper Advice Practice by Agent	
<b>Total:</b>	<b>40 hours</b>

<b>References</b>	<p>Yusof, Mohd Fadzli (2005), <i>Introduction to Takaful</i>, Utusan Publications &amp; Distributors Sdn. Bhd: Kuala Lumpur</p> <p><i>Takaful (Islamic Insurance)</i> (1996), <i>Concept and Operational System – From The Practitioner's Perspective</i>, BIRT: Kuala Lumpur</p> <p>Takaful Act 1984</p> <p>Billah, M. M. (2001), <i>Principles and Practices of Takaful and Insurance Compared</i>, Malaysia : GECD Printing Sdn. Bhd.</p> <p>Mohd Fadzli Yusof, <i>Takaful – Sistem Insurans Islam</i>, Utusan Publications &amp; Distributions Sdn Bhd, 1996</p> <p>Azman, Kamaruzzaman Abdullah, <i>Takaful –Teori &amp; Praktis</i>, The Malaysian Insurance Institute, 1996</p> <p>Mohd Ma'sum Billah, <i>Insurance A Compatible Legal Analysis of The Common Law Principles and The Islamic Legal Thoughts</i>, IIUM Press, 2001.</p> <p><i>Insurance Act and Regulations</i>, MDC Publishers and Printers Sdn Bhd, 1997</p> <p>Nik Ramlah Mahmood, <i>Insurance Law in Malaysia</i>, Butterworth, 1992</p> <p><a href="http://www.insuranceinfo.com.my">http://www.insuranceinfo.com.my</a></p>
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<b>Module</b>	<b>Three (3)</b>
<b>Title</b>	<b>Islamic Investment Planning</b>
<b>Synopsis</b>	<p>This course is designed to assist candidates to develop a clear understanding of the key concepts of Investment and Shariah compliant Investment. Candidates are provided with key knowledge to understand the concepts of risk and return, diversification, time value of money and, of Islamic principles – Riba', Maisir and Gharar.</p> <p>Candidates will also be exposed to the concepts of Fiqh Muamalah and basic commercial contracts in Islam, structure of the Islamic capital market, Shariah compliance review process on investment, direct and indirect investment products, investment and company analysis and portfolio management.</p> <p>This module is designed for those who work in the financial industry, and who wish to acquire the knowledge of Islamic investment. It also serves as an introduction to fundamental investment analysis and modern portfolio practices.</p> <p>The key understanding of investor's risk tolerance is also taught.</p>
<b>Objective</b>	The objective of this course is to equip candidates with knowledge and skills on investment planning focusing on Shariah compliant investment and contract.
<b>Learning Outcomes</b>	<p>Upon completion of the course, the participant is able to:</p> <ol style="list-style-type: none"> <li>1. Differentiate the difference between Islamic and conventional investments</li> <li>2. Understand the need to keep the wealth accumulation process in compliant with Shariah at all times</li> <li>3. Understand the prohibition of Riba' and key contracts in Islamic finance</li> <li>4. Understand the types of Intermediaries and investment products they offer</li> <li>5. Understand the risk and return profiles of major asset classes</li> <li>6. Apply the investment analysis approaches to construct a portfolio of investments</li> <li>7. Anticipate the buying and selling of an investment and analyse factors affecting the market</li> <li>8. Construct a portfolio of Shariah compliant investments according to the investor's risk profile</li> </ol>
<b>Topics covered</b>	<ol style="list-style-type: none"> <li>1. <b>Understanding Risk</b></li> <li>2. <b>Understanding Return</b></li> <li>3. <b>Understanding Risk Diversification</b></li> <li>4. <b>Key Principles of Islamic Investment</b></li> <li>5. <b>Basics of Riba</b></li> <li>6. <b>Understanding Riba</b></li> <li>7. <b>Basic commercial contracts in Islam</b></li> <li>8. <b>Mudharabah and Musyarakah forms of partnership</b></li> <li>9. <b>Financial and Capital Market in Malaysia</b></li> <li>10. <b>Investing through Islamic bank &amp; Takaful operator</b></li> <li>11. <b>Investing through Unit Trust</b></li> <li>12. <b>Investing through Bursa Malaysia</b></li> <li>13. <b>Financial mathematics</b></li> </ol>

	<ul style="list-style-type: none"><li><b>14. Basics of Company Analysis</b></li><li><b>15. Macroeconomics and sectoral overview</b></li><li><b>16. Market Cycles</b></li><li><b>17. Alternative Investment products</b></li><li><b>18. Designing an Investment Portfolio</b></li><li><b>19. Executing your portfolio</b></li><li><b>20. Portfolio Monitoring and Re-balancing</b></li></ul>
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## IFP MODULE THREE COURSE OUTLINE

Title: **Islamic Investment Planning**

### KEY CONCEPTS OF INVESTMENT

<b>1.0 Understanding Risk</b>	<b>2 hours</b>
1.1 What is Risk	
1.2 Types of risks in investment – Business, liquidity, currency, country	
1.3 Tolerance level – risk averse vs. risk taker	
1.4 Quantifying risk	
<b>2.0 Understanding Return</b>	<b>2 hours</b>
2.1 What is Return	
2.2 Cost of transaction	
2.3 Basic calculation of return – Capital gain and current income	
2.4 Risk and Return relationship	
<b>3.0 Understanding Risk Diversification</b>	<b>2 hours</b>
3.1 What is Risk Diversification	
3.2 Ways to reduce risks	
3.3 Intro to Modern Portfolio theory	
3.4 Systematic vs. Unsystematic risks	
<b>4.0 Key Principles of Islamic Investment</b>	<b>2 hours</b>
4.1 Sources of Islamic Injunctions (Primary sources - Al Quran and Sunnah, Secondary sources - Ijmak, Qiyas and Maslahah)	
4.2 Importance of Halal wealth	
4.3 What is Riba, Maisir and Gharar	
4.4 No dealing or investing in Haram products	

### INTRODUCTION TO FIQH MUAMALAH

<b>5.0 Basics of Riba</b>	<b>2 hours</b>
5.1 Types of Riba	
5.2 Understanding Riba Nasiah	
5.3 Understanding Riba Fadl	
5.4 Rules of likeness, equality and spot trade	
<b>6.0 Understanding Riba</b>	<b>2 hours</b>
6.1 Prohibition of Riba in the Quran and Sunnah	
6.2 Time value of money from Islamic perspectives	
6.3 Prohibition of Riba in other religions	
6.4 Riba and distortion of wealth distribution	
<b>7.0 Basic commercial contracts in Islam</b>	<b>2 hours</b>
7.1 Sale contract - bay', bay' ad-dayn	
7.2 Lease contract - ijarah	
7.3 Custody contract - wadiah	
7.4 Gratuity contract - hibah, ibra'	
7.5 Agency contract - wakalah	
<b>8.0 Mudharabah and Musyarakah forms of partnership</b>	<b>2 hours</b>
8.1 Salient features of Mudharabah and Musyarakah	
8.2 Role and liability of Mudharib and Rabbulmal	
8.3 Types of Mudharabah – Mutlaqah vs Muqayadah	
8.4 Sukuk Mudharabah and Musyarakah	

## IFP MODULE THREE COURSE OUTLINE

Title: **Islamic Investment Planning**

### FINANCIAL MARKET AND INVESTMENT INSTRUMENT

#### **9.0 Financial and Capital Market in Malaysia** **2 hours**

- 9.1 The Regulators - BNM and SC
- 9.2 The Intermediaries
- 9.3 Product approval and Shariah advisory guidelines
- 9.4 How investments are certified as Shariah compliant

#### **10.0 Investing through Islamic bank & Takaful operator** **2 hours**

- 10.1 Industry profile and report
- 10.2 The investment products – Bank Investment Accounts and Investment-linked Takaful plans
- 10.3 Product analysis – generic vs. structured
- 10.4 How to appraise performance

#### **11.0 Investing through Unit Trust** **2 hours**

- 11.1 Industry profile and report
- 11.2 How Unit Trust works – Role of Mgt Company, Trustee, Syariah Adviser
- 11.3 Types of Unit Trusts
- 11.4 How to appraise performance

#### **12.0 Investing through Bursa Malaysia** **2 hours**

- 12.1 Bursa Malaysia as the Exchange – Securities, Derivatives, Offshore
- 12.2 Listed companies and Brokers
- 12.3 Basic products - Share, Bond (Sukuk), Derivatives, REIT, ETF
- 12.4 How to appraise performance

### INVESTMENT ANALYSIS AND MARKET CYCLES

#### **13.0 Financial mathematics** **2 hours**

- 13.1 The concept of time value of money
- 13.2 Compound interest calculations – PV, FV and Annuity
- 13.3 Using the financial calculators
- 13.4 Solving financial problems

#### **14.0 Basics of Company Analysis** **2 hours**

- 14.1 The Accounting equation
- 14.2 Reading the Annual Report
- 14.3 Financial ratio and Time series analysis
- 14.4 Assessing a company's financial health

#### **15.0 Macroeconomics and sectoral overview** **2 hours**

- 15.1 Malaysia economic structure
- 15.2 Sectoral overview
- 15.3 BNM, SC and Treasury economic reports
- 15.4 Economic forecast

#### **16.0 Market Cycles** **2 hours**

- 16.1 General business cycle
- 16.2 Stock market cycle
- 16.3 Economic shocks and leading indicators
- 16.4 International business climate

## IFP MODULE THREE COURSE OUTLINE

Title: **Islamic Investment Planning**

### YOUR INVESTMENT PORTFOLIO

#### **17.0 Alternative Investment products** **2 hours**

- 17.1 Real Estate
- 17.2 Gold
- 17.3 Commodity
- 17.4 Risk and Return profile

#### **18.0 Designing an Investment Portfolio** **2 hours**

- 18.1 Investment Policy Statement - Objectives and constraints
- 18.2 Asset Allocation
- 18.3 Investor's Net Worth
- 18.4 Investor's Risk Tolerance

#### **19.0 Executing your portfolio** **2 hours**

- 19.1 Type of Assets and Intermediaries
- 19.2 The role of Broker and Dealer
- 19.3 Timing your buying/selling
- 19.4 Transaction cost structure

#### **20.0 Portfolio Monitoring and Re-balancing** **2 hours**

- 20.1 Monitoring to meet investment objectives
- 20.2 Markowitz's Diversification and Efficient Frontier
- 20.3 Re-balancing the portfolio
- 20.4 Buy, Sell or Hold

**Total : 40 hours**

<b>References</b>	<p>Usmani, M. T., (2002), <i>An Introduction to Islamic Finance</i>, The Hague : Kluwer Law International</p> <p>Saiful Azhar Rosly (2002), <i>Readings in Islamic Financial Markets : Banking &amp; Finance, Investments, Takaful, Financial Planning</i>, Sincere Service Centre Sdn Bhd : Kuala Lumpur</p> <p>Bank Negara Malaysia (1999), <i>The Central Bank and The Financial System in Malaysia</i>, Kuala Lumpur</p> <p>Securities Commission (2006), <i>Resolutions of the Securities Commission Shariah Advisory Council</i>, Securities Commission : Kuala Lumpur</p> <p>Iqbal, M. and R. Wilson (eds) (2005), <i>Islamic Perspective on Wealth Creation</i>, Edinburgh University : Edinburgh</p> <p>Edmond Cheah, Wong Boon Choy, Rajen Devadason (2000), <i>Financial Freedom 2</i>, Kuala Lumpur Mutual Fund Berhad, KL</p> <p>Jane Lazar (2003), <i>How To Read Financial Statements</i>, Leeds Publications, P Jaya, Selangor</p> <p>Chris Gan (2002), <i>Ringgit &amp; Sense - The Guide to Smart Investing</i>, The Edge Communication Sdn Bhd, P Jaya, Selangor</p>
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<b>Module</b>	<b>Four (4)</b>
<b>Title</b>	<b>Zakat and Tax Planning</b>
<b>Synopsis</b>	<p>This course is designed to introduce the subject of Zakat (Tithe) in Islam and to help candidates appreciate that Zakat is not only an Islamic obligation but also within the ambit of financial planning, and very connected to tax planning. Candidates are also provided with basic knowledge of taxation and how taxes are administered in Malaysia.</p> <p>Candidates will also be taught of how to calculate Zakat on various types of assets including Business Zakat, how to file Income tax return for Individual including those with business income and how to take advantage of tax deductions.</p>
<b>Objective</b>	The objective of this course is to equip candidates with knowledge on Zakat and Tax planning with focus on Individual taxation.
<b>Learning Outcomes</b>	<p>Upon completion of the course, the participant is able to:</p> <ol style="list-style-type: none"> <li>1. Comprehend the importance of Zakat as an Islamic obligation and how to place Zakat in the scope of Tax planning</li> <li>2. Understand the importance of Tax planning and the duty to file income tax returns yearly</li> <li>3. Understand the role of Zakat and Tax in nation building</li> <li>4. Assist client to understand in filling the Borang B and BE</li> <li>5. Create client's awareness towards Zakat and Tax planning</li> </ol>
<b>Topics covered</b>	<ol style="list-style-type: none"> <li>1. Basics of Zakat</li> <li>2. Understanding Zakat on Wealth</li> <li>3. How to compute Zakat</li> <li>4. Economic aspects of Zakat</li> <li>5. Legal Framework of Zakat</li> <li>6. Functions of Zakat Administrator</li> <li>7. Zakat distributions</li> <li>8. Tax Incentive of Paying Zakat on Business</li> <li>9. Introduction to Income Tax Act 1967</li> <li>10. Employment Chargeable Income</li> <li>11. Business Income</li> <li>12. Tax Computation</li> <li>13. Tax Authority</li> <li>14. Tax Audit</li> <li>15. Tax Investigation</li> <li>16. Public Rulings</li> <li>17. Role of the Financial Planner in Zakat and Tax Planning</li> <li>18. Tax Planning for Individual</li> <li>19. Tax Planning for Individual with Business income</li> </ol>

## IFP MODULE FOUR COURSE OUTLINE

Title: **Zakat and Tax Planning**

### INTRODUCTION TO ZAKAT

<b>1.0 Basics of Zakat</b>	<b>2 hours</b>
1.1 Philosophy of Zakat – injunction, wisdom, etc	
1.2 Two kinds of Zakat – fitr and wealth	
1.3 Conditions that make Zakat compulsory	
1.4 Rates of Zakat	
<b>2.0 Understanding Zakat on Wealth</b>	<b>2 hours</b>
2.1 Conditions of wealth subjected to Zakat	
2.2 Types of wealth subjected to Zakat	
2.3 Business entity – Sole proprietorship, partnership or company	
2.4 Who is liable to pay Zakat	
<b>3.0 How to compute Zakat</b>	<b>2 hours</b>
3.1 Standard format of computation	
3.2 Case 1 – Wealth (gold, silver, money, merchandise, etc)	
3.3 Case 2 – Livestock	
3.4 Case 3 – Agriculture	
<b>4.0 Economic aspects of Zakat</b>	<b>2 hours</b>
4.1 Distributive justice - 8 types of person eligible to receive Zakat	
4.2 Zakat and economic growth	
4.3 Velocity of money and free flow of wealth	
4.4 Tithe in other religions	

### ZAKAT ADMINISTRATION IN MALAYSIA

<b>5.0 Legal Framework of Zakat</b>	<b>2 hours</b>
5.1 Origination of Zakat administration	
5.2 Zakat is State matter	
5.3 State Religious Authority and Collection centers	
5.4 Role of Federal Government via JWZH, JPM	
<b>6.0 Functions of Zakat Administrator</b>	<b>2 hours</b>
6.1 Collection & Distribution	
6.2 Mission & Vision of Administrator	
6.3 Typical Zakat authority set up	
6.4 Zakat statistics and trends	
<b>7.0 Zakat distributions</b>	<b>2 hours</b>
7.1 How recipients are determined (Had kifayah)	
7.2 Schemes of assistance	
7.3 Application process to receive zakat	
7.4 Issues and challenges	
<b>8.0 Tax Incentive for Zakat</b>	<b>2 hours</b>
8.1 Zakat paid by Individual	
8.2 Treatment of zakat paid by Company, Trust body and Cooperative	
8.3 Case 1 - Individual	
8.4 Case 2 - Company	

## IFP MODULE FOUR COURSE OUTLINE

Title: **Zakat and Tax Planning**

### INTRODUCTION TO TAXATION

#### **9.0 Introduction to Income Tax Act 1967** **2 hours**

- 9.1 Charge of Income tax
- 9.2 Classes of income on which tax is chargeable
- 9.3 Resident status
- 9.4 Basis period

#### **10.0 Employment Chargeable Income** **2 hours**

- 10.1 Section 13(1)(a)(b)(c)(d) and (e)
- 10.2 Form BE – individual with employment income only
- 10.3 Form B – individual with employment and business income
- 10.4 Form P – Income derived from Partnership

#### **11.0 Business Income** **2 hours**

- 11.1 Source of income
- 11.1 Deductible expenses
- 11.2 Special deductible expenses
- 11.3 Non deductible expenses

#### **12.0 Tax Computation** **2 hours**

- 12.1 Capital allowance
- 12.2 Business loss
- 12.3 Tax exempt income
- 12.4 Relief and rebate

### TAX ADMINISTRATION IN MALAYSIA

#### **13.0 Legal framework of Tax** **2 hours**

- 13.1 Lembaga Hasil Dalam Negeri Malaysia (LHDNM)
- 13.2 Acts administered by LHDNM
- 13.3 Collection
- 13.4 Appeal

#### **14.0 Tax Compliance** **2 hours**

- 14.1 Tax payer's responsibility
- 14.2 Return and assessment
- 14.3 e-filing
- 14.4 Offences and penalty

#### **15.0 Tax Audit and Investigation** **2 hours**

- 15.1 Tax audit
- 15.2 Investigation
- 15.3 Offences
- 15.4 Settlement

#### **16.0 Public Rulings** **2 hours**

- 16.1 Budget speech by Finance Minister
- 16.2 Public rulings by LHDN
- 16.3 Return forms and Public rulings
- 16.4 Effects of non-compliance

## IFP MODULE FOUR COURSE OUTLINE

Title: **Zakat and Tax Planning**

### HOW DO WE PLAN ZAKAT AND TAX

<b>17.0 Role of the Financial Planner in Zakat and Tax Planning</b>	<b>2 hours</b>
17.1 Discharge our obligations first	
17.2 Create client's awareness	
17.3 Assist in Zakat computations	
17.4 Imparting knowledge is charity	
<b>18.0 Tax Planning for Individual</b>	<b>3 hours</b>
18.1 Tax planning techniques	
18.2 Optimizing Relief	
18.3 Optimizing Rebate	
18.4 Case study	
<b>19.0 Tax Planning for Individual with Business Income</b>	<b>3 hours</b>
19.1 Commencement of business and test ascertain	
19.2 Pre-commencement business expense	
19.3 Cessation of business	
19.4 Self assessment	
19.5 Case study	

**Total : 40 hours**

<b>References</b>	<p>Choong Kwai Fatt (2004). <b>Malaysian Taxation - Principles and Practice</b>, Tenth edition, Petaling Jaya: InfoWorld, 669 pages.</p> <p>Choong Kwai Fatt (2004). <b>How to Fill in Your Income Tax Return Form B</b>, First edition, Petaling Jaya: InfoWorld, 94 pages.</p> <p>I.A. Imtiaz (2005), <b>A Model System For Assessment, Collection And Distribution Of Zakat</b>, <i>Journal Of Islamic Banking and Finance</i> , Vol. 2, Issue: 3, 1985, pages 25-79.</p> <p>Iqbal, M. and R. Wilson (eds) (2005), <b>Islamic Perspective on Wealth Creation</b> , Edinburgh University : Edinburgh</p> <p>Veerinderjeet Singh, Chow Chee Yen (2003), <b>Malaysian Taxation Revision &amp; Practice Guide</b>, Prentice Hall, P Jaya, Selangor</p> <p>Richard Thornton (2004), <b>100 Ways To Save Tax in Malaysia</b>, Sweet &amp; Maxwell Asia, P Jaya, Selangor, Malaysia</p>
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<b>Module</b>	<b>Five (5)</b>
<b>Title</b>	<b>Islamic Estate, Retirement and Waqf Planning</b>
<b>Synopsis</b>	<p>This course is designed to assist candidates to develop a clear understanding of the key concepts of Islamic Estate, Retirement and Waqf planning. Candidates are provided with knowledge of the legal framework affecting the estates of Muslim and Non-Muslim, of the Estate planning tools and how to estimate retirement needs.</p> <p>Candidates will also be taught of how to create a Shariah-compliant Family trust and how the financial planner should assist the client in meeting the objectives.</p>
<b>Objective</b>	The objective of this course is to equip candidates with knowledge of Estate and Retirement planning from conventional and Islamic perspectives and the planning tools with special focus on Waqf (Philanthropy).
<b>Learning Outcomes</b>	<p>Upon completion of the course, the participant is able to:</p> <ol style="list-style-type: none"> <li>1. Understand clearly the objectives of Estate planning and to use the planning tools effectively</li> <li>2. Understand the key differences between Islamic and conventional concepts, practices and objectives of Estate and Retirement planning</li> <li>3. Understand the role of Waqf (Philanthropy) in nation building</li> <li>4. Assist client to plan and execute an Estate, Retirement and Waqf plan</li> <li>5. Create client's awareness of the need to plan for their Estate, Retirement and Waqf</li> </ol>
<b>Topics covered</b>	<ol style="list-style-type: none"> <li>1. <b>Key objectives in Estate Planning</b></li> <li>2. <b>Legal framework of the Estate Administration</b></li> <li>3. <b>Key differences between Islamic and conventional Estate Planning</b></li> <li>4. <b>The role of Executor and Administrator</b></li> <li>5. <b>Will, Wasayah and Wisoyah</b></li> <li>6. <b>Faraid – Islamic law of inheritance</b></li> <li>7. <b>Hibah &amp; Matrimonial Assets (Harta Sepencarian)</b></li> <li>8. <b>Trust and Powers of Attorney</b></li> <li>9. <b>Basics of Waqf</b></li> <li>10. <b>Regulatory framework of Waqf</b></li> <li>11. <b>Role of Waqf in society</b></li> <li>12. <b>Creating a Waqf</b></li> <li>13. <b>Concepts in Retirement Planning</b></li> <li>14. <b>Estimating your retirement needs</b></li> <li>15. <b>A holistic approach and the time horizon perspectives</b></li> <li>16. <b>Issues and Challenges in Estate, Retirement and Waqf</b></li> <li>17. <b>The role of Islamic Estate Planner</b></li> <li>18. <b>Planning your estate</b></li> <li>19. <b>Issues in Islamic Estate Planning</b></li> <li>20. <b>Legal Cases</b></li> </ol>

## IFP MODULE FIVE COURSE OUTLINE

Title: **Islamic Estate, Retirement and Waqf Planning**

### INTRODUCTION TO ISLAMIC ESTATE PLANNING

#### **1.0 Key objectives in Estate Planning** **2 hours**

- 1.1 Unlock assets for continuity of dependants' livelihood
- 1.2 Wealth distribution
- 1.3 Planning for the special ones – handicapped, etc
- 1.4 Charitable endowment

#### **2.0 Legal framework of the Estate Administration** **2 hours**

- 2.1 Laws related to Estate
- 2.2 The position of Syariah court
- 2.3 The Estate Administration
- 2.4 Starting the process of Estate Administration

#### **3.0 Key differences between Islamic and conventional Estate Planning** **2 hours**

- 3.1 The concept of Wealth ownership in Islam
- 3.2 Legal jurisdiction
- 3.3 Distribution Act 1971
- 3.5 Faraid vs. Distribution Act

#### **4.0 The role of Executor and Administrator** **2 hours**

- 4.1 The Executor and the Administrator
- 4.2 Calling in assets, liabilities settlement and distribution of assets
- 4.3 Small Estate Distribution Act 1955 and Probate & Admin. Act 1959
- 4.4 Public Trustee Act 1995 – Role of Amanah Raya Bhd

### TOOLS OF ESTATE PLANNING

#### **5.0 Will, Wasiyah and Wisoyah** **2 hours**

- 5.1 What is Will, Wasiyah (Bequest) and Wisoyah (Entrustment)
- 5.2 Overview of Wills Act 1959
- 5.3 Overview of Muslim Wills Enactment (Selangor) 1999
- 5.4 The requirements of a valid Will / Wasiyah / Wisoyah

#### **6.0 Faraid – Islamic law of inheritance** **2 hours**

- 6.1 Quranic sources
- 6.2 Classification of Heirs
- 6.3 Responsibilities against the estate before distribution
- 6.4 Faraid administration

#### **7.0 Hibah & Matrimonial Assets (Harta Sepencarian)** **2 hours**

- 7.1 What is Hibah – Gift during lifetime
- 7.2 Types and Validity of Hibah
- 7.3 The concept of Matrimonial Assets in Islam
- 7.4 Hibah and Matrimonial Assets in Estate planning

#### **8.0 Trust and Powers of Attorney** **2 hours**

- 8.1 What is a Trust – the concept of legal and beneficial ownership
- 8.2 The Civil Law Trust vs. the Islamic Trust
- 8.3 Types of Power of Attorney (PA)
- 8.4 Role of Trust and PA in Estate Planning

## IFP MODULE FIVE COURSE OUTLINE

Title: **Islamic Estate, Retirement and Waqf Planning**

### FUNDAMENTALS & FUNCTIONS OF WAQF

<b>9.0 Basics of Waqf</b>	<b>2 hours</b>
9.1 What is Waqf	
9.2 Types of Waqf	
9.3 The Prophet's (pbuh) advice to Umar	
9.4 The difference between Waqf and Sadaqah	
<b>10.0 Regulatory framework of Waqf</b>	<b>2 hours</b>
10.1 Administration of Waqf – Wakaf Enactments (S'gor, Melaka, NS)	
10.2 Tax and zakat treatment on Waqf	
10.3 The role of Jabatan Wakaf, Zakat & Haji	
10.4 Waqf vs. Charitable Trust under the Trustee Act 1949	
<b>11.0 Role of Waqf in society</b>	<b>2 hours</b>
11.1 A Historical perspective	
11.2 Contemporary forms of Waqf	
11.3 Development and Distribution of waqf benefits	
11.4 Applications of Waqf – Public Infrastructure, Education, Hospital, etc	
<b>12.0 Creating a Waqf</b>	<b>2 hours</b>
12.1 During Lifetime (Inter-vivos) and Testamentary	
12.2 Trust company as Mutawalli	
12.3 Family waqf	
12.4 Contributing to Collective Waqf scheme	

### RETIREMENT PLANNING

<b>13.0 Concepts in Retirement Planning</b>	<b>2 hours</b>
13.1 The Individual life cycle	
13.2 Creating current income during your retirement years	
13.3 EPF and pension scheme	
13.4 Factors to consider in Retirement planning	
<b>14.0 Estimating your retirement needs</b>	<b>2 hours</b>
14.1 Net Worth approach (Asset less liability)	
14.2 How much do you need – Living, Medical, Leisure, etc expenses	
14.3 Making up for the shortfall	
14.4 Wealth accumulation and Investment plan review	

### THE RELATIONSHIP BETWEEN ESTATE, RETIREMENT AND WAQF

<b>15.0 A holistic approach and the time horizon perspectives</b>	<b>2 hours</b>
15.1 "In the long run, we are all dead" – the Conventional view	
15.2 The final stage of wealth purification	
15.3 Integrating between <i>dunya</i> & <i>akhirah</i> objectives	
15.4 Achieving al-Falah	
<b>16.0 Issues and Challenges in Estate, Retirement and Waqf</b>	<b>2 hours</b>
16.1 Legal issues and practical constraints – Nomination, etc	
16.2 Registration of wills	
16.3 Role of PERWARIS	
16.4 Career as Islamic Estate Planner	

## IFP MODULE FIVE COURSE OUTLINE

Title: **Islamic Estate, Retirement and Waqf Planning**

### PLANNING YOUR ESTATE, RETIREMENT AND WAQF

#### 17.0 The role of Islamic Estate Planner **2 hours**

- 17.1 Gathering of clients' personal information
- 17.2 Identifying issues and proposing the solution
- 17.3 Assist in the execution by the solution provider
- 17.4 Periodic review and adjustments

#### 18.0 Planning your estate **2 hours**

- 18.1 Know your *waris* (heirs)
- 18.2 Applying the right tools
- 18.3 The Faraid Information System (e-Faraid)
- 18.4 Cases of special needs – polygamous marriage, adopted child, converts, step child, etc

#### 19.0 Issues in Islamic Estate Planning **2 hours**

- 19.1 "Absolute assignment" of Takaful proceeds
- 19.2 Protecting your family from indebtedness
- 19.3 Wasiyah to heirs – obligatory will (*wasiat wajibah*)
- 19.4 Application of Hibah and Trust

#### 20.0 Legal Cases **2 hours**

- 20.1 Case 1 – Faraid
- 20.2 Case 2 – Wasiyah
- 20.3 Case 3 – Waqf
- 20.4 Case 4 – Hibah

**Total : 40 hours**

References	
	Ong Eu Jin (2004), <b>Your Guide To Estate Planning &amp; Administration</b> , Leeds Publication, P Jaya, Selangor
	Ong Eu Jin (2005), <b>Your Guide to Trusts in Financial Planning</b> , Leeds Publication, P Jaya, Selangor
	T. Kumar (2003), <b>Wealth Distribution Wills &amp; Trusts Devices</b> , D'Wealth Publication (M) Sdn Bhd, K Lumpur
	Joshua Lim (2005), <b>Wealth, a Burden &amp; a Legacy</b> , i2Media Sdn Bhd, P Jaya, Selangor
	Sadali Rasdan (2004). <b>Estate Planning for Muslims</b> , HTH Advisory Services Pte Ltd, Singapore
	Ruth L. Hayden (2003), <b>Start Where You Are</b> , Kirk House Publishers, Minneapolis, USA
	Siti Mashitoh Mahamood (2006), <b>Waqf in Malaysia: Legal and Administrative Perspectives</b> , Univ. Malaya Press, K Lumpur

<b>Module</b>	<b>Six (6)</b>
<b>Title</b>	<b>Financial Plan Construction and Professional Responsibilities</b>
<b>Synopsis</b>	<p>This course is designed to prepare candidates to become a competent financial planner capable of meeting the financial needs of the clients in conformity to Shariah. Candidates are provided with relevant Shariah and regulatory frameworks, systematic processes, technical knowledge, skills and tools necessary to develop a comprehensive Islamic financial plan.</p> <p>Plan construction and case studies will cover the key Islamic financial planning components consisting of cash flow and liability management, risk management and Takaful, Islamic investment, Zakat and tax, retirement, Islamic estate and Waqf. Candidates will also be exposed to the ethics and professional responsibilities of an Islamic financial planner.</p>
<b>Objective</b>	The objective of this course is to equip candidates with adequate knowledge of a systematic process to gather, analyze and synthesize information from clients in order to develop and implement a comprehensive Islamic financial plan.
<b>Learning Outcomes</b>	<p>Upon completion of the course, the participant is able to:</p> <ol style="list-style-type: none"> <li>1. Understand Shariah and regulatory frameworks as well as pertinent issues and trends in the industry</li> <li>2. Understand the systematic process of developing a financial plan</li> <li>3. Comprehend how to construct and strategize a holistic Islamic financial plan.</li> <li>4. Comprehend the implementation and review process of the financial plan</li> <li>5. Understand the professional responsibilities and ethical conducts of an Islamic financial planner</li> </ol>
<b>Topics covered</b>	<ol style="list-style-type: none"> <li>1. <b>Shariah Overview</b></li> <li>2. <b>Industry Development - Regulatory Frameworks, Issues &amp; Trends</b></li> <li>3. <b>Establishing Relationship with the Client</b></li> <li>4. <b>Process of Data Gathering</b></li> <li>5. <b>Financial Analysis of Data</b></li> <li>6. <b>Strategies to Meet Client's Needs</b></li> <li>7. <b>Plan Preparation</b></li> <li>8. <b>Plan Construction and Case Studies : Cash Flow and Liability Management</b></li> <li>9. <b>Plan Construction and Case Studies : Risk Management and Takaful</b></li> <li>10. <b>Plan Construction and Case Studies : Zakat and Tax</b></li> <li>11. <b>Plan Construction and Case Studies : Islamic Estate and Waqf</b></li> <li>12. <b>Plan Construction and Case Studies : Islamic Investment</b></li> <li>13. <b>Plan Construction and Case Studies : Retirement</b></li> <li>14. <b>Plan Construction and Case Studies : Comprehensive Islamic Financial Plan</b></li> </ol>

	<ul style="list-style-type: none"><li><b>15. Plan Implementation Process</b></li><li><b>16. Financial Plan Review</b></li><li><b>17. Dealing with Client Complaints</b></li><li><b>18. Duties of the Financial Planner</b></li><li><b>19. Code of Ethics for Islamic Financial Planner</b></li></ul>
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## IFP MODULE SIX COURSE OUTLINE

Title: **Financial Plan Construction and Professional Responsibilities**

### SHARIAH AND INDUSTRY REVIEW

<b>1.0 Shariah Overview</b>	<b>2 hours</b>
1.1 Sources of Shariah	
1.2 Shariah Principles in Financial Transactions	
1.3 The 5 leading Legal Maxims	
1.4 Maqasid of Shariah	
<b>2.0 Industry development - Regulatory frameworks, issues &amp; trends</b>	<b>2 hours</b>
2.1 Islamic Banking & Takaful Framework	
2.2 Islamic Capital Market Framework	
2.3 Zakat, Tax and Estate planning Framework	
2.4 Non-banking and financial Institutions Framework	

### FUNDAMENTAL FINANCIAL PLANNING PRACTICES & COMPETENCIES

<b>3.0 Establishing Relationship with the Client</b>	<b>1 Hour</b>
3.1 Practice Standards 100 Series	
3.2 Scope, Nature and Content of the Engagement	
3.3 Establishing Reasonable Expectation of Client	
3.4 Principles of Objectivity and Competence	
<b>4.0 Process of Data Gathering</b>	<b>1 Hour</b>
4.1 Practice Standards 200 Series	
4.2 Determining Client's Personal and Financial Goals, Needs and Priorities	
4.3 Obtaining Quantitative and Non-Financial Information	
4.4 Principles of Diligence and Competence	
<b>5.0 Financial Analysis of Client's Data</b>	<b>2 Hours</b>
5.1 Practice Standards 300 Series	
5.2 Analysing to understand Client's goals vis-a-vis Shariah	
5.3 Assessing Client's Financial Position	
5.4 Assessing Client's Risk Profile	
<b>6.0 Strategies to Meet Client's Needs</b>	<b>2 Hours</b>
6.1 Practice Standards 400 Series	
6.2 Identifying Client's Wealth Protection, Accumulation, Purification and Distribution Needs	
6.3 Identifying Alternative Solutions	
6.4 Matching Client's goals to Risk Tolerance and Affordability	
<b>7.0 Plan Preparation</b>	<b>2 Hour</b>
7.1 Developing and Evaluating the Solution	
7.2 Communicating the Solution to Client	
7.3 Assisting the Client to make an informed decision	
7.4 Principles of Integrity, Objectivity and Professionalism	

## **PLAN CONSTRUCTION AND CASE STUDIES**

<b>8.0 Plan Construction and Case Studies : Cash Flow and Liability Management</b>	<b>3 Hours</b>
8.1 Cash Flow Statement	
8.2 Net Worth Statement	
8.3 Liquidity Ratios	
8.4 Budgeting	
<b>9.0 Plan Construction and Case Studies : Risk Management and Takaful</b>	<b>3 Hours</b>
9.1 Wealth Protection Needs Analysis	
9.2 Risk Management objectives	
9.3 Family and General Takaful Protection	
9.4 Additional Protection and Riders	
<b>10.0 Plan Construction and Case Studies : Zakat and Tax</b>	<b>3 Hours</b>
10.1 Analysis of Wealth subjected to Zakat	
10.2 Zakat Computation	
10.3 Tax planning techniques	
10.4 Tax Computation and Analysis	
<b>11.0 Plan Construction and Case Studies : Islamic Estate and Waqf</b>	<b>3 Hours</b>
11.1 Wealth Distribution Needs Analysis	
11.2 Faraid Calculation	
11.3 Using the Wasiyah, Hibah and Waqf Instruments	
11.4 Matrimonial Asset and other Islamic estate planning issues	
<b>12.0 Plan Construction and Case Studies : Islamic Investment</b>	<b>3 Hours</b>
12.1 Wealth Accumulation Needs Analysis	
12.2 Cleansing and List of Shariah compliant securities	
12.3 Portfolio Diversification	
12.4 Assets Allocation Analysis	
<b>13.0 Plan Construction and Case Studies : Retirement</b>	<b>1 Hour</b>
13.1 Retirement Needs Analysis	
13.2 Expense Method	
13.3 Retirement Funding Gap	
13.4 Ways to meet the Gap	
<b>14.0 Plan Construction and Case Studies : Comprehensive Islamic Financial Plan</b>	<b>4 Hours</b>
14.1 Financial Needs Analysis	
14.2 Cash Flow and Liability Management Plan	
14.3 Risk Management and Takaful Plan	
14.4 Islamic Investment Plan	
14.5 Zakat and Tax Plan	
14.6 Retirement Plan	
14.7 Islamic Estate and Waqf Plan	
14.8 Recommendation	

## **PLAN IMPLEMENTATION & PROFESSIONAL RESPONSIBILITIES**

<b>15.0 Plan Implementation Process</b>	<b>2 Hours</b>
15.1 Practice Standards 500 Series	
15.2 Implementation Agreement	
15.2 Selecting Products and Services	
15.4 Documentation - Disclaimers, Disclosures and Compliance Measures	
<b>16.0 Financial Plan Review</b>	<b>2 Hours</b>
16.1 Practice Standards 600 Series	
16.2 Defining Monitoring Responsibilities	
16.3 Revisiting the Financial Planning Process	
16.4 Post-Review Recommendation	
<b>17.0 Duties of the Financial Planner</b>	<b>2 Hour</b>
17.1 Ethics and Man's responsibilities to society	
17.2 Professional Duties - Contractual and Common Law	
17.3 FPAM Code of Ethics	
17.4 FPAM Financial Planning Practice Standards	
<b>18.0 Dealing with Client Complaints</b>	<b>1 Hour</b>
18.1 Being a Professional	
18.2 Understanding Conflict of Interest and Disputes	
18.3 Diffusing Conflict of Interest and Disputes	
18.4 FPAM Disciplinary Rules and Procedures	
<b>19.0 Code of Ethics for Islamic Financial Planner</b>	<b>1 Hour</b>
19.1 S.A.T.F. principles ( <i>Siddiq, Amanah, Tabligh, Fathonah</i> )	
19.2 Conformity to Shariah at all times and places ( <i>muraqabatillah</i> )	
19.3 Drawing the line between "pushing" and "advisory"	
19.4 Financial planning advisory as part of <i>Ibadah</i>	

**Total : 40 Hours**

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