

## **Press Release**

### **Financial Planning Organizations to play a leadership role amongst all stakeholders in the Global Financial crisis – FPSB Council Meeting; October 2008**

**Mumbai, November 6, 2008:** The global financial meltdown has altered the sentiments of the people associated to the financial services industry worldwide. The global financial crisis, looming for a while, really started to show its effects in the middle of the year 2008. Stock markets around the world have fallen, large financial institutions have buckled down or been bought out, and such a situation has arisen where the governments in even the wealthiest nations have had to come up with rescue packages to bail out their financial systems.

On the one hand many people are concerned that those responsible for the financial problems are the ones being bailed out, while on the other hand, a global financial meltdown will affect the livelihoods of almost everyone in an increasingly unified world.

People have become more cautious and vigilant in their approach in dealing with any financial instruments – traditional or nontraditional. “Fear” has fast replaced the word “Trust” which was closely characterized to their relationship with the financial services industry. In the midst of such a dreadful situation surrounding the financial environment and change in the attitude of the people, the Financial Planning professionals worldwide are also facing the Test of Time.

With these issues to be addressed, Financial Planning Standards Board (FPSB), a Standards Setting Body based in Denver, USA held their Annual Council Meeting at Shanghai on October 29<sup>th</sup> 2008. The meeting was attended by leaders from 23 Financial Planning organizations offering or preparing to offer Certified Financial Planner<sup>CM</sup> (CFP<sup>CM</sup>) Certification around the world. Mr. Ranjeet S. Mudholkar, Principal Advisor, Financial Planning Standards Board (FPSB) India also attended the aforesaid Council Meeting.

The members at the Annual Council Meeting contemplated that fear in the minds of the consumers is the root cause of affecting the Financial Planning profession worldwide. However, the manner in which the Financial Planners chose to respond to this fear and re-build the trust in the consumers would set the right tone for the success of the profession and would also, hopefully assist in bringing some kind of stability in the global markets. They also empathized with the consumers plight in these trying times and re-affirmed that they would encourage the consumers to continue to work with, or seek the counsel of, a qualified ,competent and ethical Financial Planner who would serve as a guide for meeting their financial goals.

It was identified in the Council Meeting that Consumers demand for a sound financial plan to meet their needs, continuous and invariable Relationship Management by the Financial Planner, appropriate regulatory measures by the financial regulatory authorities in the respective countries and Globalization would drive the Financial Planning profession in the future, thus leading towards facilitating financial goals for the financial consumers.

It was also addressed that the ability of the affiliates of FPSB around the world to collaborate on standards and oversight models for financial planning and financial advice, at a national, regional and global level, and co-ordination of cross border practices and mobility among Financial Planners would strengthen the consistency of the delivery of advice from professional advisors in the financial services marketplace globally which would regain the trust amongst the financial consumers once again.

The FPSB Council Meeting concluded with all member organizations vowing to play a leadership role with the regulators, media, employers and other stakeholders in providing guidance to consumers on financial management strategies in their respective countries.

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