

# Paraplanning

## Purpose

At the end of this unit, candidates should be able to demonstrate an understanding of:

- the regulatory, legal and ethical frameworks of paraplanning;
- the client's personal and financial circumstances;
- the financial planning requirements of the client;
- providing potential solutions.

### Summary of learning outcomes

1. Explain the regulatory, legal and ethical frameworks of paraplanning;
2. Evaluate the client's personal and financial circumstances;
3. Analyse the financial planning requirements of the client and provide potential solutions.

## Entry guidance

It is assumed that the candidate already has the knowledge and application skills gained from a study of Ro2 Investment principles and risk and Ro3 Personal taxation.

## Important notes

- **Method of assessment:** completion of 3 coursework assignments.
- Please refer to the website [www.cii.co.uk/qualifications](http://www.cii.co.uk/qualifications) for details on the overall scheme available to students.

- 1. Explain the regulatory, legal and ethical frameworks of paraplanning**
  - 1.1 Describe the regulatory framework within which paraplanning operates;**
  - 1.2 Explain the legal implications of obtaining and using client information;**
  - 1.3 Explain the importance of ethical standards in paraplanning.**
- 2. Evaluate the client's personal and financial circumstances**
  - 2.1 Assess fact find information, including the risk profile and client specific objectives;**
  - 2.2 Apply and evaluate the use of financial planning tools as appropriate:**
    - Cash flow analysis;
    - Net worth statements.
  - 2.3 Assess the client's tax position, including performing relevant tax calculations.**
- 3. Analyse the financial planning requirements of the client and provide potential solutions**
  - 3.1 Provide a document suitable for presentation to the financial adviser:**
    - Assessing the appropriateness of current financial solutions;
    - Outlining the options available with relevant analysis.
  - 3.2 Provide a compliant document suitable for presentation to the client:**
    - Summarising the current position;
    - Analysing the benefits and drawbacks of options;
    - Making recommendations with justifications. This should include specific justifications;
    - Disclosing costs and charges.
  - 3.3 Explain the importance of ongoing monitoring and review.**

## Reading list

The following list provides details of various publications which may assist you with your studies.

**Note: The examination will test the syllabus alone.**

The publications will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) or email [knowledge@cii.co.uk](mailto:knowledge@cii.co.uk).

## CII study texts

Paraplanning. London: CII. Study text Jo9.

Investment principles and risk. London: CII. Study text Ro2.

Personal taxation. London: CII. Study text Ro3.

## Books

Financial calculations. Sarah Dingley-Brown. Annual. Totnes, SDB Training.

Investments. 10th global edition. Zvi Bodie, Alex Kane, Alan J. Marcus. Berkshire: McGraw-Hill, 2014.

Investments: principles and concepts. Charles P Jones. Wiley, 2014.

Mastering financial calculations: a step-by-step guide to the mathematics of financial markets instruments. 3rd ed. Bob Steiner. Harlow: FT Prentice Hall, 2012.\*

The Financial Times guide to investing. 3rd edition. Glen Arnold. FT Prentice Hall, 2014.

## Journals and magazines

Financial adviser. London: FT Business. Weekly. Also available online at [www.ftadviser.com](http://www.ftadviser.com).

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Also available at [www.thepfs.org/knowledge](http://www.thepfs.org/knowledge) (CII/PFS members only).

Investment adviser. London: Financial Times Business. Weekly. Also available via [www.ftadviser.com](http://www.ftadviser.com).

Investment week. London: Incisive Financial Publishing. Weekly. Available online via [www.investmentweek.co.uk](http://www.investmentweek.co.uk).

Investor's chronicle. London: Financial Times Business. Weekly. Also available at [www.investorschronicle.co.uk](http://www.investorschronicle.co.uk).

Money management. London: FT Business. Monthly. Also available via [www.ftadviser.com](http://www.ftadviser.com).

Money marketing. London: Centaur Communications. Weekly. Also available online at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

Society. Six issues a year. Available online via [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/PFS members only).  
Financial Times. London: Financial Times. Daily. Also available online at [www.ft.com](http://www.ft.com).

Further articles and technical bulletins are available at [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/PFS members only).

## Reference materials

Dictionary of banking and finance. P H Collin. A&C Black, 2005.\*

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2007.\*

Lamont's glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009. Also available online via [www.cii.co.uk/lamont](http://www.cii.co.uk/lamont) (CII/PFS members only).

\* Also available as an ebook through Discovery via [www.cii.co.uk/discovery](http://www.cii.co.uk/discovery) (CII/PFS members only).

## Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at [www.cii.co.uk/iilrevision](http://www.cii.co.uk/iilrevision) (CII/PFS members only).