| Learning Outcome | | Assessment Criteria | | Indicative Content |
|---|---|---|---|---|
| This PDF document is accessible through screen reader attachments to your web browser and has been designed to be read via the speechify extension available on Chrome. Speechify is a free extension that is available from **https://speechify.com/**. If for accessibility reasons you require this document in an alternative format, please contact us a ukcentreadministration@cii.co.uk to discuss your needs. | | | | |
| **Financial planning principles, standards and skills.** | **1** | Explain the financial planning principles, standards and skills, including responsibilities and obligations to consumers. | **1.1** | Obligations towards consumers and their perception of financial services. |
| **15 Questions** | | | **1.2** | Client relationships and adviser responsibilities: |
| | | | **1.2.1** | Fiduciary relationship – duty of care, confidentiality, primacy of clients' interests. |
| | | | **1.2.2** | Clarity of service provision and charges, status disclosure including client agreements, execution only clients, insistent clients and restricted advice. |
| | | | **1.2.3** | Clients' cancellation rights. |
| | | | **1.2.4** | Positive customer outcomes, including vulnerable clients. |
| | | | **1.2.5** | Adviser charging rules. |
| | | | **1.3** | Regulated advice standards. |
| | | | **1.4** | Responsibilities that rest with those under the Senior Managers and Certification Regime (SM&CR) and the need for integrity, competence and fair outcomes for clients, including dealing with conflicts of interest. |
| | | | **1.5** | The statements of principle and code of Practice for Approved Persons (APER) and senior managers. |
| | **2** | Explain the main client financial circumstances, needs and objectives; how these are prioritised and potentially met. | **2.1** | Consumers' main financial needs and how they are prioritised: |
| | | | **2.1.1** | Managing debt. |
| | | | **2.1.2** | Budgeting and borrowing, including house purchase. |
| | | | **2.1.3** | Protection. |
| | | | **2.1.4** | Saving and investing. |
| | | | **2.1.5** | Retirement. |
| | | | **2.1.6** | Estate planning and tax planning. |
| | | | **2.2** | How these needs are met: |
| | | | **2.2.1** | Mortgages and loans. |
| | | | **2.2.2** | Life and health insurance. |
| | | | **2.2.3** | Savings and investments. |
| | | | **2.2.4** | The main types of pension provision. |
| | | | **2.3** | Monitoring and reviewing clients' plans and circumstances and taking account of relevant changes and legislation. |
| | | | **2.4** | Due diligence on products/tools. |

| Learning Outcome | | Assessment Criteria | | Indicative Content |
|---|---|---|---|---|
| | 3 | Apply regulations and legislation, including financial crime. | **3.1** | Record keeping, reporting and notification requirements. |
| | | | **3.2** | Complaints procedures and responsibilities to customers. |
| | | | **3.3** | Anti-money laundering and proceeds of crime obligations. |
| | | | **3.4** | Data protection and data security. |
| | | | **3.5** | Financial Ombudsman Service (FOS). |
| | | | **3.6** | Financial Services Compensation Scheme (FSCS). |
| | | | **3.7** | The Pensions Ombudsman. |
| | | | **3.8** | The Pension Protection Fund. |
| | | | **3.9** | The Bribery Act. |
| **Investment principles and risk.** | **4** | Analyse the characteristics and risks of asset classes. | **4.1** | Cash and cash equivalents: Main types, costs and charges. |
| **25 Questions** | | | **4.2** | Fixed interest securities: |
| | | | **4.2.1** | Main types. |
| | | | **4.2.2** | Markets and indices. |
| | | | **4.2.3** | Transaction costs – purchase and sale. |
| | | | **4.3** | Equities: |
| | | | **4.3.1** | Main types. |
| | | | **4.3.2** | Stock markets – indices, listings. |
| | | | **4.3.3** | Transaction costs. |
| | | | **4.4** | Property: |
| | | | **4.4.1** | Main types, residential and commercial, income profile and gearing. |
| | | | **4.4.2** | Valuation. |
| | | | **4.4.3** | Performance benchmarking. |
| | | | **4.4.4** | Transaction and on-going costs. |
| | | | **4.5** | Alternative investments - Pricing, liquidity and fair value. |
| | | | **4.6** | The main types and use of indirect investment products: |
| | | | | **Investment structures:** |
| | | | **4.6.1** | Collective investment funds – onshore and offshore. |
| | | | **4.6.2** | Closed ended funds/investment companies – onshore and offshore. |
| | | | **4.6.3** | Individual Savings Accounts (ISAs) including Junior ISAs, Help to Buy ISAs, Lifetime ISAs, Innovative Finance ISAs. |
| | | | **4.6.4** | National Savings and Investments current products. |
| | | | **4.6.5** | Life assurance based investments – onshore and offshore. |
| | | | **4.6.6** | Purchased life annuities. |

| Learning Outcome | | Assessment Criteria | | Indicative Content |
| --- | --- | --- | --- | --- |
| | | | 4.6.7 | Real Estate Investment Trusts (REITs), Property Authorised Investment Funds (PAIFs) and other property based products. |
| | | | 4.6.8 | Venture Capital Trusts (VCTs), Enterprise Investment Schemes (EISs) and Seed Enterprise Investment Schemes (SEISs) – basic structures and uses. |
| | | | 4.6.9 | Undertakings for Collective Investments in Transferable Securities (UCITS) and Qualified Investor Schemes (QIS). |
| | | | 4.7 | With profit funds – main principles only. |
| | 5 | Explain the main types of risk and their impact on clients. | 5.1 | Liquidity and access. |
| | | | 5.2 | Income and capital growth, including shortfall. |
| | | | 5.3 | Short term volatility. |
| | | | 5.4 | Currency. |
| | | | 5.5 | Inflation. |
| | | | 5.6 | Interest rates, including gearing. |
| | | | 5.7 | Systematic and non-systematic risk, including, institutional risk including fraud, counterparty venture, default and bail-in. |
| | | | 5.8 | Credit, including default. |
| | 6 | Explain the investment advice process, portfolio construction and review. | 6.1 | Correlation of asset classes – including non-correlation and the use of correlation in asset allocation. |
| | | | | **Know Your Client requirements:** |
| | | | 6.2 | Explain the investment process. |
| | | | 6.3 | Establish client relationships, capability and circumstances including assets and debts clients with additional needs and vulnerable clients. |
| | | | 6.4 | Agree and prioritise needs and wants. |
| | | | 6.5 | Agree investment objectives, growth, income, time horizons, debt and credit management and repayment. |
| | | | 6.6 | Determine and agree risk profile – objective and subjective factors, including capacity for loss. |
| | | | 6.7 | Assess affordability and other suitability considerations, including ethical, social responsibility, social impact investing, charitable giving and religious preferences. |
| | | | 6.8 | Agree strategy and rationale to achieve the objectives. |
| | | | 6.9 | Agree benchmark/performance measures and review process. |

| Learning Outcome | | Assessment Criteria | Indicative Content | |
|---|---|---|---|---|
| | | | **Asset allocation:** | |
| | | | **6.10** | Alignment with client risk profile and requirements. |
| | | | **6.11** | Diversification and correlation benefits. |
| | | | **6.12** | Accumulation and decumulation. |
| | | | **6.13** | Stochastic modelling. |
| | | | **6.14** | Strategic and tactical asset allocation. |
| | | | **6.15** | Passive and active management. |
| | | | **Portfolio construction:** | |
| | | | **6.16** | Stock and fund selection. |
| | | | **6.17** | Diversification by sector, geographical area and currency. |
| | | | **6.18** | Main fund management strategies and styles. |
| | | | **6.19** | Costs, charges, Total Expense Ratios (TERs), Total Cost of Ownership (TCO), Ongoing Charges Figure (OCF), Portfolio Turnover Ratios (PTRs). |
| | | | **6.20** | Selection of products, tax wrappers and services. |
| | | | **6.21** | Provider selection and due diligence. |
| | | | **6.22** | Recommendations and suitability. |
| | | | **6.23** | Main styles of ethical investment, including screening, socially responsible investing (SRI) and environmental social & corporate governance (ESG). |
| | | | **Portfolio review and administration:** | |
| | | | **6.24** | Changes in client circumstances and financial environment. |
| | | | **6.25** | New products and services available. |
| | | | **6.26** | Maintenance of products and services including the availability of new products. |
| | | | **6.27** | Use of external services/benchmarking. |
| | | | **6.28** | Rebalancing. |
| | | | **6.29** | Determine sustainable withdrawal levels, including the impact of sequencing risk. |

| Learning Outcome | | Assessment Criteria | | Indicative Content |
|---|---|---|---|---|
| **Personal taxation.** | **7** | Explain the taxation of investments, income, gains and inheritance. | **7.1** | Income tax – sources of income, liability, allowances, reliefs, priorities for taxing income, income of trusts and beneficiaries, trustees and settlors. |
| **25 Questions** | | | **7.2** | Capital Gains Tax (CGT) – liability, rate, disposals, gains and losses, reliefs and exemptions, capital gains of trusts. |
| | | | **7.3** | Inheritance Tax (IHT) – liability, transfers, main residence nil rate band, rates, reliefs and exemptions including gifts to charities and political parties, assets held in trusts, transfers to and from trusts. |
| | | | **7.4** | Direct investments – cash and cash equivalents, gilts, corporate bonds, equities and property. |
| | | | | **Indirect investments:** |
| | | | **7.5** | Pension arrangements. |
| | | | **7.6** | Individual Savings Accounts (ISAs), Junior ISAs (JISAs), Child Trust Funds (CTFs) and Help to buy ISAs, Lifetime ISAs. |
| | | | **7.7** | Onshore and offshore collectives and investment companies. |
| | | | **7.8** | Onshore and offshore life assurance policies, qualifying and non-qualifying, including effect of adviser fees on tax-deferred withdrawals. |
| | | | **7.9** | Venture Capital Trusts (VCTs) and Enterprise Investment Schemes (EISs) and Seed Enterprise Investment Schemes (SEISs) – basic outline. |
| | **8** | Analyse the impact of taxation on client scenarios. | **8.1** | The impact of taxes on individuals, trusts and their investments. |
| | **9** | Analyse the tax planning process and tax efficiency. | **9.1** | Key principles of income tax and capital gains tax (CGT) planning – spouses, civil partners, children, pension contributions, ISA allowances, use of the main CGT exemptions and reliefs. |
| | | | **9.2** | Main uses of lifetime gifts, business property relief, wills and trusts in basic IHT mitigation and use of joint tenancies, tenancies in common and deeds of variation. |
| | | | **9.3** | Taxation consequences when direct and indirect investments are gifted or sold to family members, third parties or charities. |

| Learning Outcome | | Assessment Criteria | | Indicative Content |
|---|---|---|---|---|
| **Pensions and retirement planning.** **25 Questions** | **10** | Evaluate the aims of retirement planning and how they may be achieved. | **10.1** | Assessing and quantifying retirement aims and objectives: |
| | | | **10.1.1** | Availability and prioritisation of savings. |
| | | | **10.1.2** | Assumptions and impacts. |
| | | | **10.1.3** | Conflict with other objectives. |
| | | | **10.1.4** | Timescales and risk. |
| | | | **10.1.5** | IHT / generational planning. |
| | | | **10.1.6** | Cash flow/ stress testing. |
| | | | **10.2** | Investments available to meet this objective: |
| | | | **10.2.1** | Suitability and risk. |
| | | | **10.2.2** | Rates of return needed. |
| | | | **10.2.3** | Accumulation and decumulation strategies, life-styling. |
| | | | **10.2.4** | Products and wrappers, advantages and constraints, critical yield. |
| | | | **10.2.5** | Other sources of non-pension income. |
| | | | **10.3** | Asset allocation factors, relationship to overall portfolio. |
| | | | **10.4** | Self investment - main characteristics. |
| | | | **10.5** | Alternative solutions for pension income: |
| | | | **10.5.1** | Alternative sources of capital including non-pension investment assets, home equity, proceeds from sale of a business, inheritance. |
| | | | **10.5.2** | Advantages and drawbacks. |
| | | | **10.6** | Factors affecting regular reviews. |
| | **11** | Analyse retirement options from different types of pension scheme, and how and when schemes will pay out in specific client circumstances. | **11.1** | State retirement benefits. |
| | | | **11.2** | Timing of decisions and implementation. |
| | | | **11.3** | DB scheme benefits, payment guarantees, survivor benefits. |
| | | | **11.4** | DC Schemes: |
| | | | **11.4.1** | Secured pensions, types of annuities and main features. |
| | | | **11.4.2** | Drawdown pensions – capped and flexi access, short term annuities. |
| | | | **11.4.3** | Compliance requirements. |
| | | | **11.4.4** | UFPLS. |
| | | | **11.5** | Phased retirement – options, benefits and risks of using annuitisation, flexi-access or UFPLS to produce income. |
| | | | **11.6** | Small pots, trivial commutation rules. |

| Learning Outcome | | Assessment Criteria | | Indicative Content |
|---|---|---|---|---|
| | 12 | Explain the impact of taxation and legislation. | 12.1 | Funding/contributions to registered pension schemes, tax relief provision. |
| | | | 12.2 | Pension scheme investment funds. |
| | | | 12.3 | Death benefits before and after age 75. |
| | | | 12.4 | Pension scheme retirement benefits. |
| | | | 12.5 | Outline of relevant transitional reliefs. |
| | 13 | Explain the protection planning principles, process (including reviews) and key considerations. | 13.1 | Co-habitation, marriage, civil partnerships and transgender matters. |
| | | | 13.2 | Birth of child and caring duties. |
| | | | 13.3 | Property purchase. |
| | | | 13.4 | Separation and divorce. |
| | | | 13.5 | Work, going overseas, retirement. |
| | | | 13.6 | Health, wellbeing and vulnerability. |
| | | | 13.7 | The suitability of trusts. |
| | | | 13.8 | Importance of regular reviews. |
| | 14 | Explain the product types and options, how these are taxed and their suitability for client scenarios. | 14.1 | Qualifying and non-qualifying policies, onshore and offshore policies. |
| | | | 14.2 | Taxation of life funds, onshore and offshore, including policies when traded. |
| | | | 14.3 | Personal Income Tax and Capital Gains Tax liabilities arising. |
| | | | 14.4 | Inheritance Tax and life assurance. |
| | | | 14.5 | Comparing similar types of products. |
| | | | 14.6 | Identifying and matching suitable product solutions to needs. |
| | | | 14.7 | Combinations of products. |
| | | | 14.8 | Current and future affordability. |
| | | | 14.9 | Relevant regulatory requirements, including scope for commission and/or fees. |