



Learning Outcome

Assessment Criteria

Indicative Content

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| 1 5 Questions | Understand the purpose and structure of the UK financial services industry. | 1.1 | Describe the function of the financial services industry in the economy. | 1.1 | The function of the financial services industry in the economy – transferring funds between individuals, businesses and government – risk management. |
| | | 1.2 | Describe the main institutions and organisations of the UK financial services industry. | 1.2 | The main institutions and organisations – markets, retail institutions and wholesale institutions. |
| | | 1.3 | Describe the roles of the EU and UK government on the UK financial services industry. | 1.3 | The role of the EU and of the UK government regulation, taxation, economic and monetary policy, provision of welfare and benefits. |
| 2 7 Questions | Understand the main financial asset classes and their characteristics. | 2.1 | Describe the main financial asset classes and their principal characteristics. | 2.1.1 | Cash deposits. |
| | | | | 2.1.2 | Government securities – conventional and index-linked – and corporate bonds, investment grade and high-yield. |
| | | | | 2.1.3 | Equities. |
| | | | | 2.1.4 | Property – residential, buy-to-let and commercial. |
| 3 6 Questions | Understand the main financial services product types and their functions. | 3.1 | Describe the main financial services product types and their functions. | 3.1.1 | Direct investments – cash, government securities and corporate bonds, equities and property. |
| | | | | 3.1.2 | Collective investments – structure, tax and charges – Open Ended Investment Companies (OEICs), unit trusts, Undertakings for the Collective Investment in Transferable Securities (UCITS), investment trusts and companies, offshore funds and Tax incentivised saving, e.g. ISAs. |
| | | | | 3.1.3 | Life and protection products. |
| | | | | 3.1.4 | Mortgages and other loans – residential, buy-to-let and commercial. |
| 4 6 Questions | Understand the purpose of the main areas of financial advice. | 4.1 | Describe how the main areas of financial advice apply to customer needs. | 4.1.1 | Budgeting. |
| | | | | 4.1.2 | Protection. |
| | | | | 4.1.3 | Borrowing and debt. |
| | | | | 4.1.4 | Investment and savings. |
| | | | | 4.1.5 | Retirement planning. |
| | | | | 4.1.6 | Long-term care planning. |
| 4.1.7 | Estate planning. | | | | |



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| 5 6 Questions | Understand the process of giving financial advice, including the importance of regular reviews of the consumer's circumstances. | 5.1 | Explain the process of giving financial advice, including the role of guidance and the importance of positive customer outcomes. | 5.1.1 | The relationship between the client and the adviser – agreeing client goals, the adviser's responsibilities with regard to confidentiality, trust, consumer protection and regulatory requirements e.g. client agreement, and statutory status disclosure. |
| | | | | 5.1.2 | Fact-finding – gathering the information needed to provide financial advice. |
| | | | | 5.1.3 | Identification of needs and possible solutions – factors determining how to match solutions with consumer needs and demands. |
| | | | | 5.1.4 | Assessment of affordability and suitability. |
| | | | | 5.1.5 | Positive customer outcomes. |
| | | | | 5.1.6 | Communication skills – given advice and adapting advice to customers with different capacities and needs, including vulnerable customers. |
| | | | | 5.1.7 | The purpose of guidance and advice - their aims, limitations and key differences. |
| | | | | 5.1.8 | Identification of attitude to risk and capacity for loss. |
| | | | | 5.1.9 | MoneyHelper, its scope and purpose. |
| | | 5.2 | Explain the importance of regular reviews of the consumer's circumstances. | 5.2 | The importance of regular reviews of the consumer's circumstances and arrangements to monitor the continuing position and advice on appropriate changes. |
| 6 7 Questions | Understand the legal concepts relevant in financial advice. | 6.1 | Explain the main areas of legal identity for individuals and companies, including arrangements on death and incapacity. | 6.1 | Legal identity – individuals, wills, intestacy, personal representatives and administration of estates, trustees, companies, unincorporated and limited liability partnerships. |
| | | | | 6.2 | Describe the basic principles of the laws of agency, contract and ownership of property. |
| | | 6.2.2 | Agency. | | |
| | | 6.2.3 | Types of property and its ownership. | | |
| | | 6.2.4 | Mental capacity, including Powers of Attorney and Lasting Powers of Attorney. | | |
| | | 6.3 | Explain the relevant laws and processes of insolvency and bankruptcy. | 6.3 | Insolvency and bankruptcy. |



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| 7 8 Questions | Understand the UK taxation and social security systems and how they affect personal financial circumstances. | 7.1 | Explain the main features of and applications of Income Tax. | 7.1 | UK Income Tax system – liability to Income Tax, allowances, including dividend allowance and personal savings allowance, reliefs, rates, employed and self-employed income. |
| | | 7.2 | Explain the main features of and applications of Capital Gains Tax. | 7.2 | Capital Gains Tax (CGT) – liability to CGT, disposals, death, deductions, losses, different rates, main exemptions, Business Asset Disposal Relief and basic calculation of chargeable gains. |
| | | 7.3 | Explain the main features of and applications of Inheritance Tax. | 7.3 | Inheritance Tax – the nil rate band, rates, transfer of unused nil rate band; allowances and exemptions, potentially exempt transfers (PET) and lifetime transfers, and how the tax is collected and who is responsible for its payment. |
| | | 7.4 | Explain the main features of Stamp Duty Reserve Tax and Stamp Duty Land Tax. | 7.4 | Stamp Taxes – Stamp Duty, Stamp Duty Reserve Tax and Stamp Duty Land Tax including surcharge. |
| | | 7.5 | Explain the main features of National Insurance Contributions. | 7.5 | National Insurance. |
| | | 7.6 | Explain the main State benefits. | 7.6 | State benefits. |
| 8 3 Questions | Understand the impact of inflation, interest rate volatility and other relevant socio-economic factors on personal financial plans. | 8.1 | Define inflation, disinflation, deflation and the main inflation indices. | 8.1.1 | Definitions of inflation, disinflation and deflation. |
| | | | | 8.1.2 | The main measures of UK inflation, including the differences between them. |
| | | 8.2 | Explain the impact of interest rates on personal financial plans. | 8.2 | The difference between fixed and variable interest rates and how they affect the affordability, suitability and performance of financial products in both the long and short term. |



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| 9 6 Questions | Understand the main aims and activities of the financial services regime and its approach to ethical conduct by firms and individuals. | 9.1 | Describe the Prudential Regulation Authority (PRA) and Financial Conduct Authority's (FCA's) main statutory objectives and the main principles and regulations used to achieve these objectives. | 9.1.1 | The Financial Services and Markets Act 2000 and Financial Services Act 2012. |
| | | | | 9.1.2 | The FCA's and PRA's aims and objectives, statutory objectives, role and activities. |
| | | 9.2 | Describe the regulatory requirements for ethical conduct by firms and individuals. | 9.2.1 | The FCA's principles for businesses and individuals – how they reflect the need for ethical behaviour by firms and individuals, FCA guidance, the fair treatment of customers. |
| | | | | 9.2.2 | The Senior Manager and Certification Regime, including the Conduct Rules and Statements of Responsibilities. |
| | | | | 9.2.3 | The prevention of crime, including market abuse and insider dealing. |
| | | | | 9.2.4 | The fit and proper test for individuals. |
| | | | | 9.2.5 | Conduct risk and customer outcomes. |
| | | | | 9.2.6 | Relevant sources of support, e.g. codes of ethics, good practice and positive customer outcomes. |
| 10 6 Questions | Understand the financial regulators' approach to regulating firms and individuals. | 10.1 | Describe the financial regulators' approach to risk-based supervision, discipline and enforcement. | 10.1.1 | Regulated activities and regulated investments. |
| | | | | 10.1.2 | Capital adequacy. |
| | | | | 10.1.3 | FCA supervision and the risk-based approach. |
| | | | | 10.1.4 | Discipline and enforcement, including notification requirements. |
| | | 10.2 | Describe the FCA's approach to regulating firms and individuals. | 10.2.1 | Authorisation of firms. |
| | | | | 10.2.2 | Different types of financial adviser, their main responsibilities and restrictions. |
| 11 7 Questions | Understand the effect of the FCA's rules on the control structures of firms and their relationship with the FCA. | 11.1 | Describe control structures and operational requirements of authorised firms and their relationship with the FCA. | 11.1.1 | The certification regime. |
| | | | | 11.1.2 | Advertising and financial promotion rules. |
| | | | | 11.1.3 | Reporting and record keeping. |
| | | | | 11.1.4 | Training and competence rules. |
| | | | | 11.1.5 | Specific rules for independent financial advisers. |



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| 12 15 Questions | Understand how the FCA's Conduct of Business rules apply to the process of advising clients. | 12.1 | Describe how the FCA's Conduct of Business rules apply to the process of advising clients. | 12.1.1 | Types of customer including Legal Entity Identifiers. |
| | | | | 12.1.2 | Terms of business, client agreements and client money. |
| | | | | 12.1.3 | Status disclosure and information about services and remuneration. |
| | | | | 12.1.4 | Scope of advice and the range of advice for advisers. |
| | | | | 12.1.5 | Advice and know your customer rules. |
| | | | | 12.1.6 | Suitability and appropriateness. |
| | | | | 12.1.7 | Execution-only sales and insistent client requests. |
| | | | | 12.1.8 | Cancellation, including reflective periods. |
| | | | | 12.1.9 | Product disclosure, including charges and commissions. |
| | | | | 12.1.10 | Regulatory rules for mortgage advice – Mortgages and Home Finance: Conduct of Business Sourcebook (MCOB). |
| | | | | 12.1.11 | Regulatory rules for general insurance advice – ICOBS Insurance: Conduct of Business sourcebook (ICOBS). |
| | | | | 12.1.12 | Record keeping including conversation recording. |
| 13 6 Questions | Understand how the Anti-Money Laundering rules apply to dealings with private and intermediate clients. | 13.1 | Explain how current anti-money laundering and proceeds of crime obligations apply. | 13.1.1 | The definition of financial crime and the proceeds of crime. |
| | | | | 13.1.2 | The current Money Laundering regulations – the main offences and penalties, exemptions, and triggers. |
| | | | | 13.1.3 | Client identification procedures, including the use of credit reference agencies. |
| | | | | 13.1.4 | Record keeping requirements - training and monitoring. |
| | | | | 13.1.5 | Types of transaction and reporting procedures. |
| | | | | 13.1.6 | Enforcement - addressing and preventing fraud. |
| | | | | 13.1.7 | Anti-bribery and corruption and scams. |
| 14 3 Questions | Understand the rules for dealing with complaints and compensation. | 14.1 | Explain the rules on redress, complaints handling and compensation, and how they apply. | 14.1.1 | Firms' internal complaints procedures. |
| | | | | 14.1.2 | The Financial Ombudsman Service . |
| | | | | 14.1.3 | The Financial Services Compensation Scheme. |



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| 15 5 Questions | Understand how the Access to Medical Reports Act 1988 and data protection rules affect the provision of financial advice and the conduct of firms generally. | 15.1 | Explain the legislation on medical reports and data protection and its impact on firms and the provision of advice to clients. | 15.1.1 | Definitions in the data protection legislation. |
| | | | | 15.1.2 | The data protection principles. |
| | | | | 15.1.3 | Enforcement of the data protection legislation. |
| | | | | 15.1.4 | Rights of individuals under data protection legislation, including redress. |
| | | | | 15.1.5 | Principles of the Access to Medical Reports Act 1988. |
| | | | | 15.1.6 | The effects of the Access to Medical Reports Act 1988 upon clients, advisers and life assurance companies. |
| 16 4 Questions | Understand the relevance of other non-tax laws and regulations to firms and to the process of advising clients. | 16.1 | Explain the relevance of ancillary legislation and regulations in the provision of financial advice. | 16.1.1 | Consumer Rights Act 2015 and consumer credit legislation. |
| | | | | 16.1.2 | The Pension Regulator's rules with respect to pension schemes. |
| | | | | 16.1.3 | Stakeholder products. |
| | | | | 16.1.4 | The Equality Act 2010. |
| | | | | 16.1.5 | The role of the Financial Conduct Authority and Competition and Markets Authority in relation to financial services. |