

Paraplanning

Purpose

At the end of this unit, candidates will 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 and provide potential solutions.

Summary of learning outcomes

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| 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 R02 Investment principles and risk and R03 Personal taxation.

Important notes

- Method of assessment: completion of 3 coursework assignments.
- Coursework assignments should be based upon the English legislative position at the time of submission.
- Resubmissions need not be updated to a new legislative position or tax year when they are resubmitted after the original date of submission.
- Candidates should refer to the CII website for the latest information on changes to law and practice:
 1. Visit www.cii.co.uk/qualifications
 2. Select the appropriate qualification
 3. Select your unit from the list provided
 4. Select qualification update on the right hand side of the page

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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 in the form of a Suitability Report appropriate 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. However, it is important to read additional sources as 5% of the exam mark is allocated for evidence of further reading and/or the use of relevant examples.

The reading list is provided for guidance only and is not in itself the subject of the examination.

The publications listed here provide a wider coverage of syllabus topics.

CII study texts

Investment principles and risk. London: CII. Study text R02.

Personal taxation. London: CII. Study text R03.

Journals and magazines

Financial adviser. London: FT Business. Weekly. Available online at www.ftadviser.com.

Investment adviser. London: Financial Times Business. Weekly. Available via www.ftadviser.com.

Investment week. London: Incisive Financial Publishing. Weekly. Available online via www.investmentweek.co.uk.

Investor's chronicle. London: Financial Times Business. Weekly. Available at www.investorschronicle.co.uk.

Money marketing. London: EMAP Publishing Limited. Weekly. Available online at www.moneymarketing.co.uk.

Personal finance professional (previously Financial solutions). London: CII. Six issues a year.

Further articles and technical bulletins are available at www.cii.co.uk/learning/learning-content-hub (CII/PFS members only).

Reference materials

International dictionary of banking and finance. John Clark. Hoboken, New Jersey: Routledge, 2013.

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

* Also available as an eBook through eLibrary via www.cii.co.uk/elibrary (CII/PFS members only).

Exemplar paper

An exemplar paper is available for this unit. It is available on the CII website under the unit description / purchasing page. You will be able to access this page from the Qualifications section of the CII website: www.cii.co.uk/qualifications.

The exemplar paper is also available on the RevisionMate website ciigroup.org/login after you have purchased the unit.

Technique/study skills

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