

# 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.

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### 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
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## 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.
- 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 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.**

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

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

### 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](http://www.ftadviser.com).

Investment adviser. London: Financial Times Business. Weekly. 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. Available at [www.investorschronicle.co.uk](http://www.investorschronicle.co.uk).

Money management. London: FT Business. Monthly. Available online [www.ftadviser.com/brand/money-management](http://www.ftadviser.com/brand/money-management).

Money marketing. London: Centaur Communications. Weekly. Available online at [www.moneymarketing.co.uk](http://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/knowledge-services/](http://www.cii.co.uk/knowledge-services/) (CII/PFS members only).

**Reference materials**

International dictionary of banking and finance. John Clark. Hoboken, New Jersey: Routledge, 2005. \*

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

**Assessment technique/study skills**

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

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