

Securities advice and dealing

Purpose

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

- the features and risks of different securities;
- the structure and features of the securities market;
- relevant factors and considerations for appropriate investment recommendations.

| Summary of learning outcomes | Number of questions in the examination* |
|--|---|
| 1. Analyse the characteristics, features, behaviours and risks of securities and equities in the context of the market for these products. | 39 |
| 2. Understand the structure, features, and regulatory and trading environment of the securities market. | 9 |
| 3. Apply dealing principles and practice relevant to client investment activity. | 3 |
| 4. Understand clearing, settlement and custody principles and practice relevant to client investment activity. | 4 |
| 5. Assess the factors that influence market behaviour relevant to investment advice. | 5 |
| 6. Apply the relevant factors and considerations to decide and implement appropriate investment recommendations. | 15 |

*The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

Important notes

- **Method of assessment:** 60 multiple choice questions (MCQs) and 3 case studies, each comprising 5 MCQs. 2 hours are allowed for this examination.
- This syllabus will be examined from 1 September 2016 to 31 August 2017.
- Candidates will be examined on the basis of English law and practice in the tax year 2016/2017 unless otherwise stated.
- It should be assumed that all individuals are domiciled and resident in the UK unless otherwise stated.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
 1. Visit www.cii.co.uk/qualifications
 2. Select the appropriate qualification
 3. Select your unit on the right hand side of the page

1. **Analyse the characteristics, features, behaviours and risks of securities and equities in the context of the market for these products.**
 - 1.1 Analyse the characteristics, features, behaviours and risks of securities.
 - 1.2 Analyse the characteristics, features, behaviours and risks of equities.
 - 1.3 Explain the characteristics, features, behaviours and risks of the main competing asset classes and onshore/offshore investment products.
2. **Understand the structure, features, and regulatory and trading environment of the securities market.**
 - 2.1 Describe the key features of the main trading markets.
 - 2.2 Describe the role, structure and regulation of the global securities market.
3. **Apply dealing principles and practice relevant to client investment activity.**
 - 3.1 Apply dealing principles and practice.
4. **Understand clearing, settlement and custody principles and practice relevant to client investment activity.**
 - 4.1 Explain the principles and practices of clearing, settlement and custody.
5. **Assess the factors that influence market behaviour relevant to investment advice.**
 - 5.1 Assess the factors that influence investment markets and the movement of individual securities.
6. **Apply the relevant factors and considerations to decide and implement appropriate investment recommendations.**
 - 6.1 Analyse the full range of objective and subjective client information and the different investment options.
 - 6.2 Recommend appropriate investment options and/or asset allocations.

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

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 or email knowledge@cii.co.uk.

CII study text

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

Securities advice & dealing. London: CII. Study text J12.

Books (and ebooks)

A practitioner's guide to MiFID. 2nd ed. Jonathan Herbst. London: Sweet and Maxwell, 2015.

European securities law. 2nd ed. Raj Panasar, Philip Boeckman. Oxford: Oxford University Press, 2014.

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

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

The basics of finance: an introduction to financial markets, business finance, and portfolio management. Frank Fabozzi. London, Wiley, 2010.*

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

The law of securities, commodities and bank accounts: the rights of accounts holders. Marek Dubovec. Cheltenham, Gloucestershire: Edward Elgar Publishing, 2014.

The theory and practice of investment management. Frank J Fabozzi. New Jersey: Wiley, 2011.

The complete guide to investing in property. Liz Hodgkinson. 5th ed. London: Kogan Page, 2010.

Understanding commercial property investment: a guide for financial advisers. British Property Foundation, 2007. Available online via www.bpf.org.uk.

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 (CII/PFS members only).

Journals and magazines

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

Financial solutions. London: CII. Six issues a year. Also available at www.thepfs.org/knowledge (CII/PFS members only).

Investment adviser. London: Financial Times Business. Weekly. Also 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. Also available at www.investorschronicle.co.uk.

Money management. London: FT Business. Monthly. Also available via www.ftadviser.com.

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

Further articles and technical bulletins are available at 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 (CII/PFS members only).

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

Examination guides

An examination guide, which includes a specimen paper, is available to purchase via www.cii.co.uk.

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate (www.revisionmate.com). Details of how to access Revisionmate are on the first page of your study text.

It is recommended that you only study from the most recent versions of the examination guides.

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 (CII/PFS members only).