

**RETAIL DISTRIBUTION REVIEW (TRAINING AND COMPETENCE)  
INSTRUMENT 2011**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
    - (a) section 138 (General rule-making power);
    - (b) section 156 (General supplementary powers);
    - (c) section 157(1) (Guidance);
    - (d) paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority); and
  - (2) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force as follows:
- (1) Part 1 of Annex A, Part 1 of Annex B and Annex C come into force on 1 February 2011;
  - (2) Part 2 of Annex B comes into force on 1 July 2011; and
  - (3) the remainder of the instrument comes into force on 31 December 2012.

**Amendments to the Handbook**

- D. The modules of the FSA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Training and Competence sourcebook (TC)	Annex B
Fees manual (FEES)	Annex C
Supervision manual (SUP)	Annex D

**Citation**

- E. This instrument may be cited as the Retail Distribution Review (Training and Competence) Instrument 2011.

By order of the Board  
19 January 2011

## Annex A

### Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### **Part 1: Comes into force on 1 February 2011**

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

*accredited body* any of the bodies recognised by the *FSA* to act as an accredited body.

*retail investment adviser* an *employee* who carries on activities 2, 3, 4, 6, 12 and 13 in *TC* Appendix 1.1.1R.

#### **Part 2: Comes into force on 31 December 2012**

Amend the following as shown:

*accredited body* any of the bodies recognised by the *FSA* ~~to act as an accredited body~~ for the purpose of providing the independent verification required under *TC* 2.1.27R.



## TC Appendix 4E – Appropriate Qualification tables

(Unless otherwise indicated all qualifications are valid if awarded by examination only)

### Key for the qualification tables for activity numbers 2, 3, 4, 6, 12 and 13

a	<u>Meets full qualification requirement up to and after 1 January 2013</u>
b	<u>Meets full qualification requirement up to 31 December 2012; and after 1 January 2013 when combined with qualification gap-fill. This gap-fill constitutes additional structured continuing professional development, which need not be by examination, completed and verified by an <i>accredited body</i> by 31 December 2012</u>
c	<u>Meets full qualification requirement up to 31 December 2012</u>
d + e	<u>Meets full qualification requirement up to 31 December 2012</u>

### Key for the following qualification tables for activity numbers 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23

1	meets full qualification requirement
2 +3	meets full qualification requirement
4 + 5 + 6	Meets full qualification requirement

Qualification table for : Advising on (but not dealing in) <i>securities</i> (which are not <i>stakeholder pension schemes</i> or <i>broker funds</i> ) – Activity number 2 in TC Appendix 1.1.1R		
Qualification	Qualification provider	Key
Certified International Wealth Manager	Association of International Wealth Managers	± a
Chartered Financial Analyst Program Level 1 plus Investment Management Certificate (Level 4 certificate) (post-2010 exam standards)	CFA Institute/ CFA Society of UK	± a
Chartered Financial Analyst plus Unit 1 of the	CFA Institute/ CFA Society of UK	± a

Investment Management Certificate (Level 4 certificate) (post-2010 exam standards)		
Investment Management Certificate (Level 4 certificate) (post-2010 exam standards) plus other qualifications that meet specialist standards for advising on securities	CFA Institute/ CFA Society of UK	± a
Chartered Financial Analyst plus Unit 1 of the Investment Management Certificate (pre-2010 exam standards)	CFA Institute/ CFA Society of UK	± b
Chartered Financial Analyst Program Level 1 plus Investment Management Certificate (pre-2010 exam standards)	CFA Institute/ CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	± b
Investment Management Certificate	CFA Institute/ CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	± c
Fellow by examination	CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	± b
Associate	CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	± b
Investment Advice Diploma (where candidate holds 3 modules including the securities module)	The Chartered Institute for Securities & Investment	± a
Masters in Wealth Management (Post 2010 examination standards)	The Chartered Institute for Securities & Investment	± a
Masters in Wealth Management (pre 2010 examination standards)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± b
Certificate in Private Client Investment Advice and Management	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± b
Certificate in Private Client Investment Advice and Management (attained through competency interview and presentation only)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± b
Diploma (where candidate holds 3 modules as recommended by the <i>firm</i> )	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± b
Investment Advice Certificate	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± b
Member of the Securities Institute (MSI Dip) (where candidate holds 3 modules as recommended by the <i>firm</i> )	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± b
Certificate in Securities	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± c
Certificate in Investment Management	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± c
Level 6 Diploma in Wealth Management	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	± c

Securities Institute Level 3 Certificate in Investments (Investment Management)	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	± c
Securities Institute Level 3 Certificate in Investments (Securities)	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	± c
Securities Institute Level 3 Certificate in Investments (Securities and Financial Derivatives)	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	± c
Certificate in Securities and Financial Derivatives – Retail	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	± c
SFA Securities Representatives Examination	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	± c
Fellow or Associate	Faculty or Institute of Actuaries	± a
Advanced Financial Planning Certificate (must include a pass in G70 paper)	Chartered Insurance Institute	b
Associate or Fellow (life and pensions route only)	Chartered Insurance Institute	b
Registered Representative Full Membership Exams – where candidates hold all 3 papers or have both the Stock Exchange Practice and Techniques of Investment papers	London Stock Exchange (records now kept by The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)).	± b
BA (Hons) Financial Services, Planning and Management	Manchester Metropolitan University	± a
TSA Registered Representative Examinations	The Securities Association (now The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute))	± c
BA in Accounting and Finance	University of Stirling	± b
BA in Finance	University of Stirling	± b
MSc in Finance	University of Stirling	± b
MSc in International Accounting and Finance (where candidates hold modules as recommended by the <i>firm</i> )	University of Stirling	± b
MSc in Investment Analysis	University of Stirling	± b
ACI Dealing Certificate	ACI	± d
ACI Diploma	ACI	± d
Secondary Examination	Analyst Association of Japan	± d
Diploma	Association of Belgian Financial Analysts	± d
Certified International Investment Analyst (CIIA)	The Association of Certified International Investment Analysts (ACIIA)	± d
Canadian Securities course plus Conduct and	Canadian Securities Institute	± d

Practices Handbook		
Investment Practice version of the Investment Management Certificate	CFA Society of UK (Formerly United Kingdom Society of Investment Professionals / Institute of Investment Management and Research)	<u>2</u> <u>d</u>
Securities Institute Level 3 Certificate in Investments (Investment Management) – Unit 5	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	<u>2</u> <u>d</u>
Securities Institute Level 3 Certificate in Investments (Securities) plus Securities Institute Level 3 Certificate in Investments (Derivatives) – Unit 3	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	<u>2</u> <u>d</u>
Certified European Financial Analyst	EFFAS Societies with accredited examinations	<u>2</u> <u>d</u>
Series 7 – General Securities Representative Examination	Financial Industry Regulatory Authority (FINRA) – Formerly the National Association of Securities Dealers (NASD)	<u>2</u> <u>d</u>
Certificate in Financial Markets	Financial Services Institute of Australasia (Formerly the Securities Institute of Australia)	<u>2</u> <u>d</u>
Diploma of Financial Markets	Financial Services Institute of Australasia (Formerly the Securities Institute of Australia)	<u>2</u> <u>d</u>
Examination	French Society of Investment Analysts	<u>2</u> <u>d</u>
International Fixed Income and Derivatives (IFID) Certificate Programme	ICMA Centre / University of Reading (Formerly ISMA Centre / University of Reading)	<u>2</u> <u>d</u>
Registered Representative Examination	Irish Stock Exchange / Dublin City University	<u>2</u> <u>d</u>
Registered Stock Broker	The Irish Stock Exchange	<u>2</u> <u>d</u>
Promotore Finanziario Examination	Italian Exchange	<u>2</u> <u>d</u>
Membership Examination	Johannesburg Stock Exchange	<u>2</u> <u>d</u>
Registered Representative of Public Securities Examination (pre-April 1990)	Japanese Bankers Association	<u>2</u> <u>d</u>
Representative of Public Securities Qualification – Class 1	Japanese Bankers Association	<u>2</u> <u>d</u>
Representative of Public Securities Examination (pre- April 1990)	Japanese Securities Dealers Association	<u>2</u> <u>d</u>
Representative of Public Securities Qualification – Type 1	Japanese Securities Dealers Association	<u>2</u> <u>d</u>
Trainee Dealers Representative Examination	Kuala Lumpur Stock Exchange	<u>2</u> <u>d</u>
Elementary, Intermediate and International Capital Markets course	Korea Securities Trading Institute	<u>2</u> <u>d</u>
Certificate	New Zealand Stock Exchange	<u>2</u> <u>d</u>
Examination	NIBE SVV The Dutch Institute for the Banking, Insurance and Stockbroking Industry	<u>2</u> <u>d</u>
International Capital Markets Qualification (including the Fixed Interest and Bond Markets Module)	Securities Institute/ South African Institute of Financial Markets	<u>2</u> <u>d</u>
Dealers Representative Examinations	Singapore Exchange	<u>2</u> <u>d</u>

Ordinary and Senior Certificates	South African Institute of Financial Markets	<u>2 d</u>
Unit 1 – UK Regulation and Markets	CFA Society of UK (Formerly United Kingdom Society of Investment Professionals / Institute of Investment Management and Research)	<u>3 e</u>
Diploma – Regulation and Compliance Paper	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	<u>3 e</u>
Unit 1 – Financial Regulation	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	<u>3 e</u>
Unit 6 – Principles of Financial Regulation	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	<u>3 e</u>
Investment Administration Qualification – IMRO Regulatory Environment Module	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	<u>3 e</u>
Investment Administration Qualification – SFA Regulatory Environment Module	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	<u>3 e</u>
Securities and Investment Institute – Unit 1 Financial Regulation – (Formerly the Securities Institute Regulatory Paper)	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	<u>3 e</u>
Investment Administration Qualification – Unit 2 FSA Regulatory Environment – (Formerly the Investment Administration Qualification – Regulatory Environment Module)	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	<u>3 e</u>
Investment Advice Certificate – Paper 1	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	<u>3 e</u>
SFA Registered Persons Examination – Section 1 (Regulation)	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	<u>3 e</u>

<b>Qualification table for : Advising on (but not dealing in) Derivatives – Activity number 3 in TC Appendix 1.1.1R</b>		
<b>Qualification</b>	<b>Qualification Provider</b>	<b>Key</b>
Certified International Wealth Manager	Association of International Wealth Managers	<u>1 a</u>
Chartered Financial Analyst plus Unit 1 of the Investment Management Certificate (Level 4 certificate) (post-2010 exam standards)	CFA Institute/ CFA Society of UK	<u>1 a</u>
Investment Management Certificate (Level 4 certificate) (post-2010 exam standards) plus other qualifications that meet RDR specialist standards for securities	CFA Institute/ CFA Society of UK	<u>1 a</u>
Chartered Financial Analyst plus Unit 1 of the Investment Management Certificate (pre-2010 exam standards)	CFA Institute/ CFA Society of UK	<u>1 b</u>
Chartered Financial Analyst Program Level 1 plus Investment Management Certificate (Level 4 certificate) (post-2010 exam standards)	CFA Institute/ CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	<u>1 a</u>
Chartered Financial Analyst Program Level 1	CFA Institute/ CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute	<u>1 b</u>



plus Investment Management Certificate ( <u>pre-2010 exam standards</u> )	of Investment Management and Research)	
Associate	CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	± <u>b</u>
Investment Management Certificate	CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	± <u>c</u>
Fellow by examination	CFA Society UK (Formerly United Kingdom Society of Investment Professionals/Institute of Investment Management and Research)	± <u>b</u>
Masters in Wealth Management (post 2010 examination standards)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± <u>a</u>
Investment Advice Diploma	The Chartered Institute for Securities & Investment	± <u>a</u>
Member of the Securities Institute (MSI Dip) (where candidate holds 3 modules as recommended by the <i>firm</i> )	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± <u>b</u>
Masters in Wealth Management (pre 2010 examination standards)	The Chartered Institute for Securities & Investment	± <u>b</u>
Diploma (where candidate holds 3 modules as recommended by the <i>firm</i> )	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± <u>b</u>
Certificate in Private Client Investment Advice and Management	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± <u>b</u>
Certificate in Private Client Investment Advice and Management (attained through a CISI competency interview and presentation only)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± <u>b</u>
Investment Advice Certificate	The Chartered Institute for Securities and Investment (Formerly the Securities & Investment Institute)	± <u>b</u>
Certificate in Derivatives	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± <u>c</u>
Certificate in Financial Derivatives	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± <u>c</u>
Certificate in Investment Management	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± <u>c</u>
Level 6 Diploma in Wealth Management	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	± <u>c</u>
Certificate in Securities and Financial Derivatives	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	± <u>c</u>
Securities Institute Level 3 Certificate in Investments (Derivatives)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	± <u>c</u>
Securities Institute Level 3 Certificate in Investments (Investment Management)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	± <u>c</u>
Securities Institute Level 3 Certificate in Investments (Securities & Financial Derivatives)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	± <u>c</u>
SFA Futures and Options Representative Examination	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	± <u>c</u>

SFA Securities and Financial Derivatives Representative Examination	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	+ c
SFA Securities Representative plus Financial Derivatives Module	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	+ c
Advanced Financial Planning Certificate (must include a pass in G70 paper)	Chartered Insurance Institute	+ b
Associate or Fellow (life and pensions route only)	Chartered Insurance Institute	+ b
Fellow or Associate	Faculty or Institute of Actuaries	+ a
Registered Representative Full Membership Exams – where candidates hold all 3 papers or have both the Stock Exchange Practice and Techniques of Investment papers	London Stock Exchange (records now kept by The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)).	+ b
BA (Hons) Financial Services, Planning and Management	Manchester Metropolitan University	+ a
TSA Registered Representative Examinations	The Securities Association	+ c
International Capital Markets Qualification (ICMQ) including a pass in Futures, Options and other Derivative Products paper	Securities Institute/South African Institute of Financial Markets	+ c
BA in Finance and Accounting	University of Stirling	+ b
MSc in Finance	University of Stirling	+ b
MSc in International Accounting and Finance (where candidates hold modules as recommended by the <i>firm</i> )	University of Stirling	+ b
MSc in Investment Analysis	University of Stirling	+ b
ACI Dealing Certificate	ACI	≥ d
ACI Diploma	ACI	≥ d
Secondary Examination	Analyst Association of Japan	≥ d
Certified International Investment Analyst (CIIA)	The Association of Certified International Investment Analysts (ACIIA)	≥ d
Chartered Financial Analyst	CFA Institute	≥ d
Investment Practice paper of the Investment Management Certificate	CFA Society UK (Formerly United Kingdom Society of Investment Professionals/Institute of Investment Management and Research)	≥ d
Securities Institute Level 3 Certificate in Investments (Investment Management) – Unit 5	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	≥ d
Diploma including passes in both the Australian Futures Trading and Options papers	Financial Services Institute for Australasia (Formerly the Securities Institute of Australia)	≥ d
International Fixed Income and Derivatives	ICMA Centre / University of Reading (Formerly ISMA Centre / University of Reading)	≥ d

(IFID) Certificate Programme		
Registered Representative of Public Securities Examination (pre April 1990)	Japanese Bankers Association	2 d
Representative of Public Securities Qualification – Class 1	Japanese Bankers Association	2 d
Representative of Public Securities Examination (pre April 1990)	Japanese Securities Dealers Association	2 d
Representative of Public Securities Qualification – Type 1	Japanese Securities Dealers Association	2 d
Series 3 – Futures Representative Examination	National Futures Association	2 d
Examination	NIBE SVV the Dutch Institute for Banking, Insurance and Stockbroking Industry	2 d
Examination	Norwegian Society of Financial Analysts	2 d
Singapore Exchange Futures Trading Test	Singapore Institute of Banking and Finance	2 d
Registered Representative Examination	Sydney Futures Exchange	2 d
Diploma – Regulation and Compliance Paper	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	3 e
Investment Administration Qualification – IMRO Regulatory Environment module	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	3 e
Investment Administration Qualification – SFA Regulatory Environment module	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	3 e
Investment Administration Qualification – Unit 2 FSA Regulatory Environment (Formerly the Investment Administration Qualification – Regulatory Environment module)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	3 e
Investment Advice Certificate – Paper 1	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	3 e
Securities & Investment Institute – Unit 1 Financial Regulation (Formerly the Securities Institute Regulatory Paper)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	3 e
SFA Registered Persons Examination – Section 1 (Regulation)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	3 e
Unit 1 – Financial Regulation	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	3 e
Unit 1 – UK Regulation and Markets	CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	3 e
Unit 6 – Principles of Financial Regulation	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	3 e

**Qualification table relating to : Advising on *Packaged Products* (which are not *broker funds*) and *Friendly Society* tax-exempt policies - Activity Numbers 4 and 6 in TC Appendix 1.1.1 R**

Qualification	Qualification Provider	Key
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BA in Financial Services (1995 to 2001)	Bournemouth University	± <u>b</u>
MA in Financial Services (1995 to 2001)	Bournemouth University	± <u>b</u>
Post Graduate in Financial Services (1995 to 2001)	Bournemouth University	± <u>b</u>
Diploma in Professional Financial Advice	Calibrand/Scottish Qualifications Authority	± <u>a</u>
Diploma in Investment Planning (Existing Adviser) Post 2010 examination standards	Chartered Institute of Bankers in Scotland	± <u>a</u>
Diploma in Investment Planning (New Adviser) Post 2010 examination standards	Chartered Institute of Bankers in Scotland	± <u>a</u>
Diploma in Investment Planning (Retail Banking) (New Adviser) Post 2010 examination standards	Chartered Institute of Bankers in Scotland	± <u>a</u>
Diploma in Investment Planning (Retail Banking) (Existing Adviser) Post 2010 examination standards	Chartered Institute of Bankers in Scotland	± <u>a</u>
Associate (March 1992 to July 1994 syllabus (including top-up test))	Chartered Institute of Bankers in Scotland	± <u>b</u>
Associate (post August 1994 syllabus)	Chartered Institute of Bankers in Scotland	± <u>b</u>
Certificate in Investment Planning	Chartered Institute of Bankers in Scotland	± <u>b</u>
Chartered Banker (where candidates hold UK Financial Services and Investment modules)	Chartered Institute of Bankers in Scotland	± <u>b</u>
Diploma in Investment Planning (current)	Chartered Institute of Bankers in Scotland	± <u>b</u>
Certificate in Financial Planning (Post 17/09/2004)	Chartered Institute of Bankers in Scotland	± <u>c</u>
Masters in Wealth Management ( <u>pre-2010 exam standards</u> )	The Chartered Institute for Securities & Investment	± <u>b</u>
Masters in Wealth Management (Post 2010 examination standards)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± <u>a</u>
Investment Advice Diploma	The Chartered Institute for Securities & Investment	± <u>a</u>
Investment Advice Certificate	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	± <u>b</u>
Certificate in Private Client Investment Advice and Management (attained through competency interview and presentation only)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± <u>b</u>
Certificate in Private Client Investment Advice and Management	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± <u>b</u>
Diploma (where candidates hold 3 modules as recommended by the firm)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± <u>b</u>
Member of the Securities Institute (MSI Dip) (where candidate holds 3 modules as recommended by the firm)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	± <u>b</u>
Level 6 Diploma in Wealth Management	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	<u>c</u>
<del>Regulated</del> Diploma in <u>Regulated</u> Financial Planning	Chartered Insurance Institute	± <u>a</u>

Diploma in Regulated Financial Planning (attained through a CII alternative assessment day)	Chartered Insurance Institute	† a
Advanced Diploma in Financial Planning	Chartered Insurance Institute	† b
Advanced Financial Planning Certificate	Chartered Insurance Institute	† b
Associate (ACII) (where candidate holds appropriate life and pension modules)	Chartered Insurance Institute	† b
Associate (ALIA Dip)	Chartered Insurance Institute	† b
Diploma in Financial Planning	Chartered Insurance Institute	† b
Fellow (FCII) (where candidates hold appropriate life and pensions modules)	Chartered Insurance Institute	† b
Certificate in Financial Planning	Chartered Insurance Institute	† c
Financial Planning Certificate (No new registrations after 17/12/2004)	Chartered Insurance Institute	† c
Fellow (FLIA Dip)	Chartered Insurance Institute	† b
Fellow or Associate	Faculty or Institute of Actuaries	† a
FSSC Advanced Apprenticeship in Advising on Financial Products (Financial Advice Pathway)		† c
Associate (where candidate has passed the investment module)	<del>ifs</del> ifs School of Finance (Formerly the Chartered Institute of Bankers)	† b
Diploma for Financial Advisers (pre 2010 examination standards)	<del>ifs</del> ifs School of Finance (Formerly the Chartered Institute of Bankers)	† b
Professional Investment Certificate	<del>ifs</del> ifs School of Finance (Formerly the Chartered Institute of Bankers)	† b
Diploma for Financial Advisers (post 2010)	<del>ifs</del> ifs School of Finance (Formerly the Chartered Institute of Bankers)	† a
Certificate for Financial Advisers (Post 1/11/2004)	<del>ifs</del> ifs School of Finance (Formerly the Chartered Institute of Bankers)	† e
Certificate for Financial Advisers (Pre 31/10/2004)	<del>ifs</del> ifs School of Finance (Formerly Chartered Institute of Bankers)	† e
Professional Certificate in Banking (PCertB) (where candidate has passed the Practice of Financial Advice module)	<del>ifs</del> ifs School of Finance (Formerly Chartered Institute of Bankers)	† a
Certified Financial Planner	Institute of Financial Planning	† b
Fellowship	Institute of Financial Planning	† b
BA (Hons) Financial Services, Planning and Management	Manchester Metropolitan University	† a
BA in Financial Services (1995 to 2001)	Sheffield Hallam University	† b
MA in Financial Services (1995 to 2001)	Sheffield Hallam University	† b
Post Graduate in Financial Services (1995 to 2001)	Sheffield Hallam University	† b
BA in Finance	University of Stirling	† b
BA in Finance and Accounting	University of Stirling	† b

BA in Financial Services (1995 to 2001)	University of the West of England	† b
MA in Financial Services (1995 to 2001)	University of the West of England	† b
Post Graduate in Financial Services (1995 to 2001)	University of the West of England	† b
Certificate in Investment Planning Paper 1 (Pre 31/10/2004)	Chartered Institute of Bankers in Scotland	‡ e
Certificate in Investment Planning (Post 17/09/2004)	Chartered Institute of Bankers in Scotland	‡ e
Certificate in Investment and Financial Advice – Paper 1	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	‡ e
Investment Advice Certificate Paper 1	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	‡ e
Financial Planning Certificate – Paper 1	Chartered Insurance Institute	‡ e
Certificate in Financial Planning – Paper 1	Chartered Insurance Institute	‡ e
Certificate for Financial Advisers – Paper 1 (Post 1/11/2004)	<del>ifs</del> <u>ifs</u> School of Finance (Formerly the Chartered Institute of Bankers)	‡ e
Certificate for Financial Advisers Paper 1 (Pre 31/10/2004)	<del>ifs</del> <u>ifs</u> School of Finance (Formerly the Chartered Institute of Bankers)	‡ e
Certificate in Mortgage Advice and Practice (CeMAP) – Paper 1 (Pre 31/10/2004)	<del>ifs</del> <u>ifs</u> School of Finance (Formerly the Chartered Institute of Bankers)	‡ e

<b>Qualification table for : Advising on, and dealing in <i>Securities</i> (which are not <i>stakeholder pension schemes</i> or <i>broker funds</i>) – Activity number 12 in TC Appendix 1.1.1R</b>		
<b>Qualification</b>	<b>Qualification Provider</b>	<b>Key</b>
Certified International Wealth Manager	Association of International Wealth Managers	† a
Chartered Financial Analyst Program Level 1 plus Investment Management Certificate (Level 4 certificate) ( <u>post-2010 exam standards</u> )	CFA Institute/ CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	† a
Chartered Financial Analyst plus Unit 1 of the Investment Management Certificate (Level 4 certificate) ( <u>post-2010 exam standards</u> )	CFA Institute/ CFA Society of UK	† a
Investment Management Certificate (Level 4 certificate) ( <u>post-2010 exam standards</u> ) plus other qualifications that meet RDR specialist standards for securities	CFA Institute/ CFA Society of UK	† a
<u>Chartered Financial Analyst plus Unit 1 of the Investment Management certificate (pre-2010 exam standards)</u>	<u>CFA Institute/CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/Institute of Investment Management and Research)</u>	b
Chartered Financial Analyst Program Level 1 plus Investment Management Certificate ( <u>pre-2010 exam standards</u> )	CFA Institute/ CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	† b
Fellow by examination	CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of	† b

	Investment Management and Research)	
Associate	CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	† <u>b</u>
Investment Advice Diploma (where candidate holds 3 modules including the securities module)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	† <u>a</u>
Masters in Wealth Management (based on post 2010 examination standards)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	† <u>a</u>
Masters in Wealth Management (based on pre 2010 examination standards)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	† <u>b</u>
Certificate in Private Client Investment Advice and Management	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	† <u>b</u>
Certificate in Private Client Investment Advice and Management (attained through competency interview and presentation only)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	† <u>b</u>
Diploma (where candidate holds 3 modules as recommended by the <i>firm</i> )	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	† <u>b</u>
Member of the Securities Institute (MSI Dip) (where candidate holds 3 modules as recommended by the <i>firm</i> )	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	† <u>b</u>
Certificate in Securities – Retail	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	† <u>c</u>
Certificate in Securities and Financial Derivatives – Retail	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	† <u>c</u>
Certificate in Investment Management	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	† <u>c</u>
Level 6 Diploma in Wealth Management	The Chartered Institute for Securities and Investment (Formerly the Securities and Investment Institute)	† <u>c</u>
Securities Institute Level 3 Certificate in Investments (Investment Management)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	† <u>c</u>
Securities Institute Level 3 Certificate in Investments (Securities & Financial Derivatives)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	† <u>c</u>
Securities Institute Level 3 Certificate in Investments (Securities)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	† <u>c</u>
SFA Securities Representative Examination	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	† <u>c</u>
SFA Securities and Financial Derivatives Representative Examination	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	† <u>c</u>
Advanced Financial Planning Certificate (must include a pass in G70 paper)	Chartered Insurance Institute	† <u>b</u>
Associateship (must include a pass in the Investment Paper)	<del>ifs</del> <u>ifs</u> School of Finance (Formerly the Chartered Institute of Bankers)	† <u>b</u>
Registered Representative Full Membership Exams –	London Stock Exchange (records now kept by The Chartered Institute for Securities & Investment)	† <u>b</u>

where candidates hold all 3 papers or have both the Stock Exchange Practice and Techniques of Investment papers	(Formerly the Securities and Investment Institute)).	
BA (Hons) Financial Services, Planning and Management	Manchester Metropolitan University	± a
TSA Registered Representative Examinations	The Securities Association	± c
BA in Finance	University of Stirling	± b
BA in Finance and Accounting	University of Stirling	± b
MSc in Investment Analysis	University of Stirling	± b
MSc in Finance	University of Stirling	± b
ACI Dealing Certificate	ACI	± d
ACI Diploma	ACI	± d
Secondary Examination	Analyst Association of Japan	± d
Diploma	Association of Belgian Financial Analysts	± d
Certified International Investment Analyst (CIIA)	The Association of Certified International Investment Analysts (ACIIA)	± d
Canadian Securities Course plus Conduct and Practices Handbook	Canadian Securities Institute	± d
Certified European Financial Analyst	EFFAS Societies with accredited examinations	± d
Series 7 – General Securities Representatives Examination	Financial Industry Regulatory Authority (FINRA) – Formerly the National Association of Securities Dealers (NASD)	± d
Certificate in Financial Markets	Financial Services Institute of Australasia (Formerly the Securities Institute of Australia)	± d
Diploma of Financial Markets	Financial Services Institute of Australasia (Formerly the Securities Institute of Australia)	± d
Examination	French Society of Investment Analysts	± d
International Fixed Income and Derivatives (IFID) Certificate Programme	ICMA Centre / University of Reading (Formerly ISMA Centre / University of Reading)	± d
General Certificate Programme	ICMA Centre / University of Reading (Formerly ISMA Centre / University of Reading)	± d
Irish Registered Representative Examination	Irish Stock Exchange/ Dublin City University	± d
Promotore Finanziario Examination	Italian Exchange	± d
Registered Representative of Public Securities Examination (pre April 1990)	Japanese Bankers Association	± d
Representative of Public Securities Qualification – Class 1	Japanese Bankers Association	± d
Registered Representative of Public Securities Examination (pre April 1990)	Japanese Securities Dealers Association	± d
Representative of Public Securities Qualification – Type 1	Japanese Securities Dealers Association	± d
Membership Examinations	Johannesburg Stock Exchange	± d



Elementary, Intermediate and International Capital Markets Courses	Korea Securities Training	<u>2 d</u>
Trainee Dealers Representative Examination Certificate	Kuala Lumpur Stock Exchange New Zealand Stock Exchange	<u>2 d</u> <u>2 d</u>
Examination	NIBE SVV the Dutch Institute for the Banking, Insurance and Stockbroking Industry	<u>2 d</u>
International Capital Markets Qualification (inclusive of the Fixed Interest and Bond Markets Module)	Securities Institute/ South African Institute of Financial Markets	<u>2 d</u>
Dealers Representative Examination	Singapore Exchange	<u>2 d</u>
Diploma	The Swiss Stock Exchange	<u>2 d</u>
Professional Certificate in Stockbroking	University College Dublin (UCD) / The Institute of Bankers School of Professional Finance	<u>2 d</u>
Investment Administration Qualification – IMRO Regulatory Environment Module	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>
Investment Administration Qualification – SFA Regulatory Environment Module	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>
Investment Administration Qualification – Unit 2 FSA Regulatory Environment – (Formerly the Investment Administration Qualification Regulatory Environment Module)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>
Securities & Investment Institute – Unit 1 Financial Regulation (Formerly the Securities Institute Regulatory Paper)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>
Unit 1 – Financial Regulation	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>
Unit 1 – UK Regulation and Markets	CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	<u>3 e</u>
Unit 6 – Principles of Financial Regulation	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>
SFA Registered Persons Examination – Section 1 (Regulation)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>

<b>Qualification table for : Advising on and dealing with or for clients in <i>Derivatives</i> – Activity number 13 in TC Appendix 1.1.1R</b>		
<b>Qualification</b>	<b>Qualification Provider</b>	<b>Key</b>
Certified International Wealth Manager	Association of International Wealth Managers	<u>1 a</u>
Chartered Financial Analyst Program Level 1 plus Investment Management Certificate (Level 4 certificate) ( <u>post-2010 exam standards</u> )	CFA Institute/ CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	<u>1 a</u>
<u>Chartered Financial Analyst plus Unit 1 of the Investment Management certificate (Level 4 certificate) (pre-2010 exam standards)</u>	<u>CFA Institute/ CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)</u>	<u>b</u>

Chartered Financial Analyst Program Level 1 plus Investment Management Certificate (pre-2010 exam standards)	CFA Institute/ CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	+ b
Associate	CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	+ b
Chartered Financial Analyst plus Unit 1 of the Investment Management Certificate (Level 4 certificate) (post-2010 exam standards)	CFA Institute/ CFA Society of UK	+ a
Investment Management Certificate (Level 4 certificate) (post-2010 exam standards) plus other qualifications that meet specialist standards for advising on securities	CFA Institute/ CFA Society of UK	+ a
Fellow by examination	CFA Society UK (Formerly United Kingdom Society of Investment Professionals/Institute of Investment Management and Research)	+ b
Associateship – must include a pass in the Investment Paper	Chartered Institute of Bankers in Scotland	+ b
Investment Advice Diploma	The Chartered Institute for Securities & Investment	+ a
Certificate in Private Client Investment Advice and Management	The Chartered Institute for Securities & Investment	+ b
Certificate in Private Client Investment Advice and Management (attained through a CISI competency interview and presentation only)	The Chartered Institute for Securities & Investment	+ b
Masters in Wealth Management (based on pre 2010 examination standards)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	+ b
Diploma (where candidate holds 3 modules as recommended by the <i>firm</i> )	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	+ b
Certificate in Derivatives	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	+ c
Certificate in Financial Derivatives	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	+ c
Certificate in Investment Management	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	+ c
Level 6 Diploma in Wealth Management	The Chartered Institute for Securities <del>and</del> Investment (Formerly the Securities and Investment Institute)	+ c
Certificate in Securities and Financial Derivatives	The Chartered Institute for Securities <del>and</del> Investment (Formerly the Securities and Investment Institute)	+ c
Securities Institute Level 3 Certificate in Investments (Derivatives)	The Chartered Institute for Securities & Investment (Formerly the Securities <del>and</del> Investment Institute)	+ c
Securities Institute Level 3 Certificate in Investments (Investment Management)	The Chartered Institute for Securities & Investment (Formerly the Securities <del>and</del> Investment Institute)	+ c
Securities Institute Level 3 Certificate in Investments (Securities & Financial Derivatives)	The Chartered Institute for Securities & Investment (Formerly the Securities <del>and</del> Investment Institute)	+ c
Member of the Securities Institute (MSI Dip)	The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)	+ b

(where candidate holds 3 modules as recommended by the <i>firm</i> )		
SFA Futures and Options Representative Examination	The Chartered Institute for Securities & Investment (Formerly the Securities <del>and</del> Investment Institute)	+ <u>b</u>
SFA Securities and Financial Derivatives Representative Examination	The Chartered Institute for Securities & Investment (Formerly the Securities <del>and</del> Investment Institute)	+ <u>b</u>
Financial Derivatives paper of Diploma	The Chartered Institute for Securities & Investment (Formerly the Securities <del>and</del> Investment Institute)	+ <u>b</u>
SFA Securities Representative Examination plus Financial Derivatives Module	The Chartered Institute for Securities & Investment (Formerly the Securities <del>and</del> Investment Institute)	+ <u>b</u>
Financial Futures and Options paper of the Diploma	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	+ <u>a</u>
Advanced Financial Planning Certificate (must include a pass in G70 paper)	Chartered Insurance Institute	+ <u>b</u>
Associateship – (must include a pass in the Investment Paper)	<del>ifs</del> <u>ifs</u> School of Finance (Formerly the Chartered Institute of Bankers)	+ <u>b</u>
Associateship – (must include a pass in the Investment Management Paper)	<del>ifs</del> <u>ifs</u> School of Finance (Formerly the Chartered Institute of Bankers)	+ <u>b</u>
Registered Representative Full Membership Exams – where candidates hold all 3 papers or have both the Stock Exchange Practice and Techniques of Investment papers	London Stock Exchange (records now kept by The Chartered Institute for Securities & Investment (Formerly the Securities and Investment Institute)).	+ <u>b</u>
BA (Hons) Financial Services, Planning and Management	Manchester Metropolitan University	+ <u>a</u>
TSA Registered Representative Examination	The Securities Association	+ <u>b</u>
International Capital Markets Qualification (ICMQ) including pass in Futures, Options and other Derivative Products	Securities Institute/ South African Institute of Financial Markets	+ <u>b</u>
BA in Finance and Accounting	University of Stirling	+ <u>b</u>
MSc in Finance	University of Stirling	+ <u>b</u>
MSc in International Accounting and Finance (where candidates hold modules as recommended by the <i>firm</i> )	University of Stirling	+ <u>b</u>
MSc in Investment Analysis	University of Stirling	+ <u>b</u>
ACI Dealing Certificate	ACI	≥ <u>d</u>
ACI Diploma	ACI	≥ <u>d</u>
Secondary Examination	Analyst Association of Japan	≥ <u>d</u>
Certified International Investment Analyst (CIIA)	The Association of Certified International Investment Analysts (ACIIA)	≥ <u>d</u>

Derivatives Fundamentals Course and Futures/Options Licensing Course	Canadian Securities Institute	<u>2 d</u>
Diploma including passes in both the Australian Futures Trading and Options Trading papers	Financial Services Institute of Australasia (Formerly the Securities Institute of Australia)	<u>2 d</u>
International Fixed Income and Derivatives (IFID) Certificate Programme	ICMA Centre / University of Reading (Formerly ISMA Centre / University of Reading)	<u>2 d</u>
Registered Representative of Public Securities Examination (pre April 1990)	Japanese Bankers Association	<u>2 d</u>
Representative of Public Securities Qualifications – Class 1	Japanese Bankers Association	<u>2 d</u>
Representative of Public Securities Examination (pre April 1990)	Japanese Securities Dealers Association	<u>2 d</u>
Representative of Public Securities Qualifications – Type 1	Japanese Securities Dealers Association	<u>2 d</u>
Series 3 National Commodities Futures Examination	National Futures Association	<u>2 d</u>
Examination	NIBE SVV the Dutch Institute for the Banking, Insurance and Stockbroking Industry	<u>2 d</u>
Examination	Norwegian Society of Financial Analysts	<u>2 d</u>
Singapore Exchange Futures Trading Test	Singapore Institute of Banking and Finance	<u>2 d</u>
Ordinary and Senior Certificates	South African Institute of Financial Markets	<u>2 d</u>
Unit 1 – Financial Regulation	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>
Unit 1 – UK Regulation and Markets	CFA Society of UK (Formerly United Kingdom Society of Investment Professionals/ Institute of Investment Management and Research)	<u>3 e</u>
Unit 6 – Principles of Financial Regulation	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>
Diploma – Regulation and Compliance Paper	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>
Investment Administration Qualification – IMRO Regulatory Environment Module	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>
Investment Administration Qualification – SFA Regulatory Environment Module	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>
Investment Administration Qualification – Unit 2 SFA Regulatory Environment (Formerly the Investment Administration Qualification – Regulatory Environment Module)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>
Securities & Investment Institute – Unit 1 Financial Regulation (Formerly the Securities Institute Regulatory Paper)	The Chartered Institute for Securities & Investment (Formerly the Securities & Investment Institute)	<u>3 e</u>

After Appendix 5G insert the following new appendices. The text is not underlined.

## **Appendix 6G            Accredited bodies**

### Introduction

1.            An *accredited body* is a body recognised by the *FSA* to act as an accredited body.
2.            Information on *accredited bodies*, including *guidance* on the process for including an applicant body in the list, is set out below and the obligation to pay the application fee is set out in *FEES* 3.2.
3.            The role of an *accredited body* relates to rules in *TC* which come into force on 31 December 2012.

### Process for including a body in the list of accredited bodies

4.            In considering the compatibility of a proposed addition with the *regulatory objectives*, the *FSA* will determine whether the applicant will, if accredited, contribute to securing an appropriate degree of protection for *consumers* having regard in particular to:
  - (1) the matters set out in paragraphs 10 to 20; and
  - (2) the rules and practices of the applicant.
5.            An application to the *FSA* to be added to the list of *accredited bodies* should set out how the applicant will satisfy the criteria in paragraphs 10 to 20. The application should be accompanied by a report from a suitable auditor which sets out its independent assessment of the applicant's ability to meet these criteria. An application form is available from the *FSA* upon request.
6.            When considering an application for *accredited body* status the *FSA* may:
  - (1) carry out any enquiries and request any further information that it considers appropriate, including consulting other regulators;
  - (2) ask the applicant or its specified representative to answer questions and explain any matter the *FSA* considers relevant to the application;
  - (3) take into account any information which the *FSA* considers appropriate to the application; and
  - (4) request that any information provided by the applicant or its specified representative is verified in such a manner as the *FSA* may specify.
7.            The *FSA* will confirm its decision in writing to the applicant.
8.            The *FSA* will enter into an agreement with the applicant or *accredited body* which will specify the requirements that the *accredited body* must meet. These will include the matters set out in paragraphs 10 to 20. Approval as an *accredited body* becomes effective only when the name of the applicant is added to the *Glossary*

definition of *accredited body*.

9. Paragraphs 10 to 20 set out the criteria which an applicant should meet to become an *accredited body* and which an *accredited body* should meet at all times.

Acting in the public interest and furthering the development of the profession

10. The *FSA* will expect an *accredited body* to act in the public interest, to contribute to raising consumer confidence and professional standards in the retail investment advice market and to promoting the profession.

Carrying out effective verification services

11. If independent verification of a *retail investment adviser's* professional standards has been carried out by an *accredited body*, the *FSA* will expect the *accredited body* to provide the *retail investment adviser* with evidence of that verification in a *durable medium* and in a form agreed by the *FSA*. This is referred to in this Appendix and *TC 2.1.28R* as a 'statement of professional standing'.
12. The *FSA* will expect an *accredited body* to have in place effective procedures for carrying out its verification activities. These should include:
- (1) verifying that each *retail investment adviser* who is a member of or subscriber to the *accredited body's* verification service has made an annual declaration in writing that the *retail investment adviser* has, in the preceding *12 months*, complied with *APER* and completed the continuing professional development required;
  - (2) verifying annually the continuing professional development records of no less than 10% of the *retail investment advisers* who have used its service in the previous *12 months* to ensure that the records are accurate and the continuing professional development completed by the *retail investment advisers* is appropriate; and
  - (3) verifying that, if required by *TC*, the *retail investment advisers* who use its services have attained an appropriate qualification. This should include, where relevant, checking that appropriate qualification gap-fill records have been completed by the *retail investment advisers*.
13. The *FSA* will not expect an *accredited body* to carry out the verification in paragraph 12(3) if a *retail investment adviser* provides the *accredited body* with evidence in a *durable medium* which demonstrates that another *accredited body* has previously verified the *retail investment adviser's* appropriate qualification, including, where relevant, appropriate qualification gap-fill.
14. The *FSA* will expect an *accredited body* to make it a contractual condition of membership (where a *retail investment adviser* is a member of the *accredited body*) or of using its verification service (where a *retail investment adviser* is not a member of the *accredited body*) that, as a minimum, the *accredited body* will not continue to verify a *retail investment adviser's* standards and will withdraw its statement of professional standing if the *accredited body* is provided with false

information in relation to a *retail investment adviser's* qualifications or continuing professional development or a false declaration in relation to a *retail investment adviser's* compliance with *APER*. In this regard, an *accredited body* must have in place appropriate decision-making procedures with a suitable degree of independence and transparency.

Having appropriate systems and controls in place and providing evidence to the FSA of continuing effectiveness

15. The *FSA* will expect an *accredited body* to ensure that it has adequate resources and systems and controls in place in relation to its role as an *accredited body*.
16. The *FSA* will expect an *accredited body* to have effective procedures in place for the management of conflicts of interest and have a well-balanced governance structure with at least one member who is independent of the sector.
17. The *FSA* will expect an *accredited body* to have a code of ethics and to ensure that its code of ethics and verification service terms and conditions do not contain any provisions that conflict with *APER*.

Ongoing cooperation with the FSA

18. The *FSA* will expect an *accredited body* to provide the *FSA* with such documents and information as the *FSA* reasonably requires, and to cooperate with the *FSA* in an open and transparent manner.
19. The *FSA* will expect an *accredited body* to share information with the *FSA* (subject to any legal constraints) in relation to the professional standards of the *retail investment advisers* who use its service as appropriate. Examples might include conduct issues, complaints, dishonestly obtaining or falsifying qualifications or continuing professional development or a failure to complete appropriate continuing professional development. The *FSA* will expect an *accredited body* to notify the *firm* if issues such as these arise.
20. The *FSA* will expect an *accredited body* to submit to the *FSA* an annual report by a suitable independent auditor which sets out that auditor's assessment of the quality of the body's satisfaction of the criteria in paragraphs 10 to 19 in the preceding 12 *months* and whether, in the auditor's view, the body is capable of satisfying the criteria in the subsequent 12 *months*. The *FSA* will expect this annual report to be submitted to the *FSA* within three *months* of the anniversary of the date on which the *accredited body* was added to the *Glossary* definition of *accredited body*.

Withdrawal of accreditation

21. If an *accredited body* fails or, in the *FSA's* view, is likely to fail to satisfy the criteria, the *FSA* will discuss this with the *accredited body* concerned. If, following a period of discussion, the *accredited body* has failed to take appropriate corrective action to ensure that it satisfies and will continue to satisfy the criteria, the *FSA* will withdraw the *accredited body's* accreditation by removing its name from the list of *accredited bodies* published in the *Glossary*.

The *FSA* will expect the body to notify each *retail investment adviser* holding a current statement of professional standing of the *FSA*'s decision. A statement of professional standing issued by the *accredited body* before the withdrawal of accreditation will continue to be valid until its expiration.

*continued*



## Appendix 7G Guidelines for qualification gap-fill for retail investment advisers

### Who should use these guidelines?

Under the RDR professionalism requirements if you are a *retail investment adviser* then you need to meet a new standard of qualification from 31 December 2012 in order to act as a *retail investment adviser*. If you already hold certain qualifications specified in TC Appendix 4 you will not need to attain any further examinations. Instead you will need to fill any knowledge gaps against the Financial Services Skills Council's examination standards using qualification gap-fill. To do this you should use the templates in this Appendix which reproduce the Financial Services Skills Council's examination standards and allow you to identify the gaps that you will need to fill. You will need to have your gap-fill verified by an *accredited body* before 31 December 2012 to enable these qualifications to count as appropriate qualifications.

### Please note:

- In order to take advantage of qualification gap-fill you must hold a qualification for each specific activity you perform, for example if you hold a qualification for *packaged products* but also give advice on *securities* you will need to hold an appropriate qualification for both of these activities.
- The template below is an updated version of the template we published in CP09/31. Advisers who are using the template from CP09/31 can continue to do so.

### Instructions for use

First, you should establish which tables below you need to use. This is based on the *TC* Appendix 1.1 activity you will be performing. The revised examination standards under the RDR are divided into core and specialist content.

The core modules apply to all *retail investment advisers* and are as follows:

- (1) Financial Services, regulation and ethics
- (2) Investment principles and risk
- (3) Personal taxation

**This means that all qualification gap-filling must include tables 1, 2 and 3 set out below.**

Second, you need to establish which of the specialist modules you need to gap-fill. This depends on which *TC* Appendix 1.1 activities you carry out, as defined in *TC* Appendix 1.1. The matrix below helps to show which tables you need to use to complete gap-fill for the specialist content, with the tables numbered 4, 5, 6 and 7.

**Figure 1**

Table number Adviser's activity, as per TC Appendix 1.1	4 Securities	5 Derivatives	6 Pensions and retirement planning	7 Application standards for packaged products
2 – <i>advising on securities</i>	✓	✗	✗	✗
3 – <i>Advising on derivatives</i>	✗	✓	✗	✗
4 – <i>Advising on packaged products which are not broker funds</i>	✗	✗	✓	✓
6 – <i>Advising on friendly society tax-exempt policies</i>	✗	✗	✓	✓
12 – <i>Advising on and dealing in securities which are not stakeholder pension schemes or broker funds</i>	✓	✗	✗	✗

13 – <i>Advising on and dealing in derivatives</i>	x	✓	x	x
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There is no specialist module for *packaged products* (distinct from application standards for *packaged products*) because the *packaged product* content is a combination of the three core modules, along with pensions & retirement planning and protection. The examination standard for protection is not included here because the level has not changed, so there is no gap to fill.

Once you have worked out which tables you need to use, you should check the learning outcomes in column 2. The indicative content in column 3 provides additional guidance on the areas to be covered<sup>1</sup>. If the qualification or CPD you completed meets the learning outcome, you need do nothing more in that area other than record the fact in column 4 or 5. If it does not meet the learning outcome, you will need to undertake and evidence, in column 5, the qualification gap-fill you have completed to meet the new requirements before 31 December 2012. If you remain uncertain, you should contact your qualification awarding body or your intended *accredited body* who should be able to help. Column 6 should be completed by your *accredited body*.

The prime focus of qualification gap-filling should be on the relevance of the learning activity to the learning outcome and indicative content to be achieved. This can be from any source: firm, professional body, training provider etc, and from any time provided it is completed before 31<sup>st</sup> December 2012. CPD carried out in the past can be used to meet the qualification gap-fill requirements where this can be appropriately verified.

## Core content

### Table 1 – Financial Services, Regulation and Ethics

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<sup>1</sup> Please note that the application standards for packaged products have outcome standards in column 1 and assessment in column 2. For this you will need to check if your qualification covered the outcome standard and record the result.

1	2	3	4	5	6
Attainment level	Learning outcome	Indicative content	Covered in qualification? (Y/N)	Evidence of learning activity	Verification of qualification top-up and date
Understand	The UK financial services industry in its European and global context				
		<ul style="list-style-type: none"> <li>• role and structure of the UK and international markets, key participants</li> </ul>			
		<ul style="list-style-type: none"> <li>• the impact of the EU on UK regulation</li> </ul>			
		<ul style="list-style-type: none"> <li>• the role of government – economic and industrial policy, regulation, taxation and social welfare</li> <li>• the function and operation of financial services within the wider economy</li> </ul>			
Understand	How the retail consumer is served by the financial services industry				
		<ul style="list-style-type: none"> <li>• obligations towards consumers and their perception of financial services;</li> </ul>			
		<ul style="list-style-type: none"> <li>• consumers' main financial needs and how they are prioritised:</li> </ul>			
		<ul style="list-style-type: none"> <li>- managing debt</li> </ul>			
		<ul style="list-style-type: none"> <li>- budgeting and borrowing, including house purchase</li> </ul>			
		<ul style="list-style-type: none"> <li>- protection</li> <li>- saving and investing</li> </ul>			

		- retirement			
		- estate planning and tax planning			
		• how those needs are met:			
		- mortgages and loans			
		- life and health insurance			
		- savings and investments			
		- State benefits			
		- the main types of pension provision			
Understand	The legal concepts and considerations relevant to financial advice				
		• legal persons and power of attorney			
		• basic law of contract and agency			
		• ownership of property			
		• insolvency and bankruptcy			
		• wills and intestacy			
		• use of trusts:			
	- the main types of trusts and their uses				
	- how to create and administer trusts				
Understand	The regulation of financial services				
		• the role of the Financial Services Authority (FSA), HM Treasury and the Bank of England – market regulation			
		• the role of other regulating bodies such as the Competition Commission, the Office of Fair Trading, the Pensions Regulator, the Information Commissioner			
	• Financial Services and Markets Act (FSMA) 2000, other relevant legislation				
	• the role of EU regulation and relevant Directives				

		<ul style="list-style-type: none"> <li>• additional oversight – senior management, trustees, auditors, external compliance support services</li> </ul>				
Understand	The FSA’s responsibilities and approach to regulation					
		<ul style="list-style-type: none"> <li>• Statutory objectives and how the FSA is structured to achieve these:                             <ul style="list-style-type: none"> <li>- powers and activities</li> <li>- financial stability and prudential regulation</li> <li>- powers to deal with financial crime</li> <li>- financial capability – National Strategy</li> </ul> </li> <li>• the FSA Handbook – the main principles and rules                             <ul style="list-style-type: none"> <li>- the High Level Standards</li> <li>- Prudential Standards</li> <li>- Business Standards                                     <ul style="list-style-type: none"> <li>◦ Conduct of Business (COBS)</li> <li>◦ rules for dealing with client assets</li> <li>◦ Market Conduct code</li> <li>◦ Training and Competence</li> </ul> </li> <li>- Regulatory Processes:                                     <ul style="list-style-type: none"> <li>◦ authorisation, supervision, approved persons, significant influence functions, controlled functions, appointed representatives</li> </ul> </li> </ul> </li> <li>• risk-based supervision, discipline and enforcement, sanctions to deal with criminal activities</li> </ul>				
	Apply	The principles and risk as set out in the regulatory framework				
			<ul style="list-style-type: none"> <li>• regulated activities and authorisation requirements</li> <li>• approved person and controlled function responsibilities</li> </ul>			

		<ul style="list-style-type: none"> <li>• record keeping, reporting and notification requirements</li> </ul>			
		<ul style="list-style-type: none"> <li>• professionalism and the training and competence requirements</li> </ul>			
		<ul style="list-style-type: none"> <li>• Anti money laundering and proceeds of crime obligations</li> </ul>			
		<ul style="list-style-type: none"> <li>• Data protection including data security</li> </ul>			
		<ul style="list-style-type: none"> <li>• complaints procedures and responsibilities to consumers</li> </ul>			
		<ul style="list-style-type: none"> <li>• the Financial Ombudsman Service (FOS)</li> </ul>			
		<ul style="list-style-type: none"> <li>• the Financial Services Compensation Scheme (FSCS)</li> </ul>			
Apply	The regulatory advice framework in practice for the consumer				
		<ul style="list-style-type: none"> <li>• client relationships and adviser responsibilities:                             <ul style="list-style-type: none"> <li>- types of clients</li> <li>- fiduciary relationship – duty of care, confidentiality, primacy of clients’ interests</li> <li>- clarity of service provision and charges, status disclosure including terms of business and client agreements, execution only</li> <li>- limitations to own authority or expertise, referrals to and relationships with relevant specialists</li> <li>- clients’ cancellation rights</li> </ul> </li> </ul>			
		<ul style="list-style-type: none"> <li>• regulated advice standards</li> </ul>			
		<ul style="list-style-type: none"> <li>• monitoring and reviewing clients’ plans and circumstances and taking account of relevant changes</li> </ul>			

Understand	The range of skills required when advising clients				
		<ul style="list-style-type: none"> <li>Communicating clearly, assessing and adapting to the differing capabilities of clients</li> </ul>			
		<ul style="list-style-type: none"> <li>gathering information, assessment and analysis of client's needs and circumstances, reaching conclusions and making appropriate recommendations</li> </ul>			
Understand	The FSA's use of principles and outcomes based regulation to promote ethical and fair outcomes				
		<ul style="list-style-type: none"> <li>the Principles for Business and the discretionary obligations these place on firms</li> </ul>			
		<ul style="list-style-type: none"> <li>corporate culture and leadership</li> <li>the responsibilities that rest with approved persons and the need for integrity, competence and fair outcomes for clients, including dealing with conflicts of interest</li> </ul>			
Apply	The Code of Ethics and professional standards to business behaviours of individuals				
		<ul style="list-style-type: none"> <li>the over-arching Code of Ethics</li> </ul>			
		<ul style="list-style-type: none"> <li>the professional principles and values on which the Code is based</li> </ul>			



		<ul style="list-style-type: none"> <li>identifying ethical dilemmas</li> <li>the steps involved in managing ethical dilemmas</li> </ul>			
Critically evaluate	The outcomes that distinguish between ethical and compliance driven behaviours				
		<ul style="list-style-type: none"> <li>typical behavioural indicators – positive and negative</li> </ul>			
	<ul style="list-style-type: none"> <li>the outcomes which may result from behaving ethically – for the industry, the firm, individual advisers and consumers</li> </ul>				
	<ul style="list-style-type: none"> <li>the outcomes which may result from limiting behaviour to compliance with the rules – for the industry, firm, individual advisers and consumers</li> </ul>				

**Table 2 – Investment principles and risk**

Attainment level	Learning outcome	Indicative content	Covered in qualification? (Y/N)	Evidence of qualification top-up?	Verification of qualification top-up and date
Analyse	The characteristics, inherent risks, behaviour and correlation of asset classes				
		<ul style="list-style-type: none"> <li>cash and cash equivalents:                             <ul style="list-style-type: none"> <li>main types, costs and charges</li> </ul> </li> </ul>			

		<ul style="list-style-type: none"> <li>• fixed interest securities:               <ul style="list-style-type: none"> <li>- main types</li> <li>- running and redemption yields, interest rates and yield curves</li> <li>- markets and indices</li> <li>- transaction costs – purchase and sale</li> </ul> </li> <li>• equities:               <ul style="list-style-type: none"> <li>- main types, private equity</li> <li>- valuation measures – price/earnings (P/E) ratio, dividend yield and cover, Net Asset Value (NAV)</li> <li>- stock markets – indices, listings</li> <li>- transaction costs</li> </ul> </li> <li>• property:               <ul style="list-style-type: none"> <li>- main types, residential and commercial, income profile and gearing</li> <li>- valuation</li> <li>- performance benchmarking</li> <li>- transaction and on-going costs</li> </ul> </li> <li>• alternative investments such as commodities, and physical assets</li> <li>• pricing, liquidity and fair value</li> <li>• correlation of asset classes – relevance to asset allocation</li> </ul>			
Understand	The macro-economic environment and its impact on asset classes				
		<ul style="list-style-type: none"> <li>• main long term UK and global socio-economic trends</li> <li>• overview of world economies and globalisation of markets</li> </ul>			

		<ul style="list-style-type: none"> <li>• economic and financial cycles – predictability, regional economy differences</li> </ul>			
		<ul style="list-style-type: none"> <li>• the key economic indicators – trends and their interpretation</li> </ul>			
		<ul style="list-style-type: none"> <li>• significance of monetary and fiscal policy</li> </ul>			
		<ul style="list-style-type: none"> <li>• relevance of money, inflation, deflation, interest rates and exchange rates</li> </ul>			
		<ul style="list-style-type: none"> <li>• balance of payments and international capital flows</li> </ul>			
		<ul style="list-style-type: none"> <li>• the role of financial investment in the economy</li> </ul>			
Understand	The merits and limitations of the main investment theories				
		<ul style="list-style-type: none"> <li>• key features of the main investment theories:                             <ul style="list-style-type: none"> <li>- modern portfolio theory</li> <li>- multi factor theory</li> <li>- efficient market hypothesis</li> <li>- capital asset pricing model (CAPM)</li> </ul> </li> </ul>			
		<ul style="list-style-type: none"> <li>• portfolio theory, diversification and hedging:                             <ul style="list-style-type: none"> <li>- correlation between asset classes</li> <li>- total return and an awareness of beta and alpha</li> <li>- risk adjusted returns</li> </ul> </li> </ul>			
		<ul style="list-style-type: none"> <li>• basics of behavioural finance – market and individual behaviours</li> </ul>			
Apply	The principles of the time value of money				
		<ul style="list-style-type: none"> <li>• compound interest and discounting</li> <li>• real returns and nominal returns</li> </ul>			
Analyse and explain	The nature and impact of the main types of risk on investment performance				

		<ul style="list-style-type: none"> <li>• liquidity and access</li> </ul>			
		<ul style="list-style-type: none"> <li>• income and capital growth including shortfall</li> </ul>			
		<ul style="list-style-type: none"> <li>• short term volatility</li> </ul>			
		<ul style="list-style-type: none"> <li>• long term performance</li> </ul>			
		<ul style="list-style-type: none"> <li>• gearing</li> </ul>			
		<ul style="list-style-type: none"> <li>• currency</li> </ul>			
		<ul style="list-style-type: none"> <li>• inflation</li> </ul>			
		<ul style="list-style-type: none"> <li>• interest rates</li> </ul>			
		<ul style="list-style-type: none"> <li>• systemic and non-systemic, including fraud and counterparty, institutional, market timing</li> </ul>			
Analyse	The characteristics, inherent risks, behaviours and relevant tax considerations of investment products				
		<ul style="list-style-type: none"> <li>• the advantages and disadvantages of direct investment in securities and assets compared to indirect investment through collectives and other products</li> </ul>			
		<ul style="list-style-type: none"> <li>• the main types and use of indirect investment products:                             <ul style="list-style-type: none"> <li>- investment structures:                                     <ul style="list-style-type: none"> <li>◦ collective investment funds – onshore and offshore</li> <li>◦ Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs)</li> <li>◦ closed ended funds / investment companies – onshore and offshore</li> <li>◦ Individual Savings Account (ISAs) and Child Trust Funds (CTFs)</li> <li>◦ National Savings and Investments</li> </ul> </li> </ul> </li> </ul>			

		<ul style="list-style-type: none"> <li>◦ life assurance based investments – onshore and offshore</li> </ul>			
		<ul style="list-style-type: none"> <li>◦ defined contribution (DC) pension arrangements</li> </ul>			
		<ul style="list-style-type: none"> <li>◦ Real Estate Investment Trusts (REITs) and other property based products</li> </ul>			
		<ul style="list-style-type: none"> <li>◦ Venture Capital Trusts (VCTs) and Enterprise Investments Schemes (EISs) – basic structures and uses</li> </ul>			
		<ul style="list-style-type: none"> <li>◦ broker funds and distributor influenced funds (DIFs)</li> </ul>			
		<ul style="list-style-type: none"> <li>- derivatives:</li> </ul>			
		<ul style="list-style-type: none"> <li>◦ basic structure, main types and uses</li> </ul>			
		<ul style="list-style-type: none"> <li>- investment strategy based products:</li> </ul>			
		<ul style="list-style-type: none"> <li>◦ hedge fund and funds of hedge funds</li> </ul>			
		<ul style="list-style-type: none"> <li>◦ absolute return funds</li> </ul>			
		<ul style="list-style-type: none"> <li>◦ structured products – income and capital growth, structure and analysis</li> </ul>			
		<ul style="list-style-type: none"> <li>◦ with profit funds – main principles</li> </ul>			
Apply	The investment advice process				
		<ul style="list-style-type: none"> <li>● know your client requirements:</li> </ul>			
		<ul style="list-style-type: none"> <li>- explain the investment process</li> </ul>			
		<ul style="list-style-type: none"> <li>- establish client relationships, capability and circumstances including assets and debts</li> </ul>			
		<ul style="list-style-type: none"> <li>- agree and prioritise needs and wants</li> </ul>			
		<ul style="list-style-type: none"> <li>- agree investment objectives, growth, income, time horizons, debt and credit management and repayment</li> </ul>			
		<ul style="list-style-type: none"> <li>- determine and agree risk profile – objective and subjective factors</li> </ul>			

		- assess affordability and other suitability considerations, ethical, social responsibility and religious preferences			
		- agree strategy and rationale to achieve the objectives			
		- agree benchmark / performance measures and review process			
		• asset allocation:			
		- alignment with client risk profile and requirements			
		- diversification and correlation benefits			
		- accumulation and decumulation			
Understand	The principles of investment planning				
		• asset allocation:			
	- stochastic modelling				
	- strategic and tactical asset allocation				
	• portfolio construction:				
	- stock and fund selection				
	- diversification by sector, geographical area and currency				
	- main fund management strategies and styles				
	- costs, charges, Total Expense Ratios (TERs), Portfolio Turnover Rates (PTRs)				
	- selection of products, tax wrapper and services				
	- provider selection and due diligence				
	- recommendations and suitability				
	• wrap and other platforms:				
	- concept and uses				
- benefits and risks					
- costs/charges					

Analyse	The performance of investments				
		<ul style="list-style-type: none"> <li>• portfolio performance:                             <ul style="list-style-type: none"> <li>- methods of evaluating portfolio performance</li> <li>- selection and use of benchmarks</li> <li>- new money and timing factors</li> </ul> </li> <li>• portfolio review and administration:                             <ul style="list-style-type: none"> <li>- changes in client circumstances</li> <li>- changes in financial environment</li> <li>- new products and services available</li> <li>- maintenance of products and services</li> <li>- use of external services / benchmarking</li> <li>- rebalancing</li> </ul> </li> </ul>			

**Table 3 – Personal taxation**

Attainment level	Learning outcome	Indicative content	Covered in qualification? (Y/N)	Evidence of qualification top-up and date	Verification of qualification top-up and date
Understand	The UK tax system as relevant to the needs and circumstances of individuals and trusts				
		<ul style="list-style-type: none"> <li>• income tax – sources of income, liability, allowances, reliefs, priorities for taxing income, income of trusts and beneficiaries</li> </ul>			
		<ul style="list-style-type: none"> <li>• National Insurance Contributions (NICs) – liability</li> </ul>			

		for employers, employees, self-employed contribution levels, voluntary NICs			
		<ul style="list-style-type: none"> <li>• Capital Gains Tax (CGT) – liability, rate, disposals, gains and losses, reliefs and exemptions, capital gains of trusts</li> </ul>			
		<ul style="list-style-type: none"> <li>• Inheritance Tax (IHT) – liability, transfers, nil rate band, rates, reliefs and exemptions, assets held in trusts, transfers to and from trusts</li> </ul>			
		<ul style="list-style-type: none"> <li>• residence and domicile – main rules, impact on liability to income tax, CGT and IHT</li> </ul>			
		<ul style="list-style-type: none"> <li>• UK tax compliance – self assessment, Pay as You Earn (PAYE), tax returns, tax payments, tax evasion and avoidance issues</li> </ul>			
		<ul style="list-style-type: none"> <li>• Stamp duty reserve tax and stamp duty land tax – transactions subject to tax, rates of tax, main reliefs</li> </ul>			
		<ul style="list-style-type: none"> <li>• outline of Value Added Tax (VAT) and Corporation Tax</li> </ul>			
Analyse	The taxation of investments as relevant to the needs and circumstances of individuals and trusts				
		<ul style="list-style-type: none"> <li>• direct investments – cash and cash equivalents, fixed interest securities, equities and property</li> </ul>			
		<ul style="list-style-type: none"> <li>• indirect investments:</li> </ul>			
		<ul style="list-style-type: none"> <li>- pension arrangements</li> </ul>			
		<ul style="list-style-type: none"> <li>- Individual Savings Accounts (ISAs) and Child Trust Funds (CTFs)</li> </ul>			
		<ul style="list-style-type: none"> <li>- onshore and offshore collectives and investment companies</li> </ul>			
		<ul style="list-style-type: none"> <li>- onshore and offshore life assurance policies</li> </ul>			



		- Real Estate Investment Trusts (REITS)			
		- Venture Capital Trusts (VCTs) and Enterprise Initiative Schemes (EISs) – basic outline			
Analyse	The role and relevance of tax in the financial affairs of individuals and trusts				
		<ul style="list-style-type: none"> <li>the impact of taxes on individuals, trusts and their investments</li> </ul>			
		<ul style="list-style-type: none"> <li>key principles of income tax planning – spouse, civil partners, children, pension contributions, ISA allowances, use of the main CGT exemptions and reliefs</li> </ul>			
		<ul style="list-style-type: none"> <li>main uses of lifetime gifts and trusts in basic IHT mitigation</li> </ul>			
Apply	the knowledge of personal taxation to the provision of investment advice				
		<ul style="list-style-type: none"> <li>to carry out computations on the most common elements of income tax and NICs; CGT; IHT including the impact of lifetime transfers and transfers at death</li> </ul>			
		<ul style="list-style-type: none"> <li>to make elementary tax planning recommendations in the context of investment advice</li> </ul>			

## Specialist content

Table 4 – Securities

Attainment level	Learning outcome	Indicative content	Covered in qualification? (Y/N)	Evidence of qualification top-up and date	Verification of qualification top-up and date
Understand	The securities market structure, features, regulatory and trading environment				
		<ul style="list-style-type: none"> <li>• role, structure and regulation of global securities markets: <ul style="list-style-type: none"> <li>- primary, secondary and dual listing</li> <li>- exchange trading and over-the-counter (OTC) trading</li> <li>- role of regulators, other supervisory bodies and trade associations</li> </ul> </li> <li>• market participants and roles</li> <li>• domestic markets: <ul style="list-style-type: none"> <li>- issuing, listing, quotation, admission to market: <ul style="list-style-type: none"> <li>◦ UK Listing Authority</li> <li>◦ PLUS Market</li> <li>◦ AIM Market</li> <li>◦ issuing securities without a prospectus</li> </ul> </li> <li>- Markets for trading: <ul style="list-style-type: none"> <li>◦ equities</li> </ul> </li> </ul> </li> </ul>			

		<ul style="list-style-type: none"> <li>◦ Government bonds</li> </ul>			
		<ul style="list-style-type: none"> <li>◦ corporate bonds</li> </ul>			
		<ul style="list-style-type: none"> <li>- Other trading venues:</li> </ul>			
		<ul style="list-style-type: none"> <li>◦ Multilateral Trading Facilities (MTFs)</li> </ul>			
		<ul style="list-style-type: none"> <li>◦ Systemic Internalisers</li> </ul>			
		<ul style="list-style-type: none"> <li>◦ dark pools</li> </ul>			
		<ul style="list-style-type: none"> <li>• international markets:</li> </ul>			
		<ul style="list-style-type: none"> <li>- developed markets</li> </ul>			
		<ul style="list-style-type: none"> <li>- emerging markets</li> </ul>			
		<ul style="list-style-type: none"> <li>- foreign exchange market</li> </ul>			
		<ul style="list-style-type: none"> <li>- structure and access considerations</li> </ul>			
Apply	Dealing principles and practice to relevant client investment activity				
		<ul style="list-style-type: none"> <li>• dealing – domestic markets, rules and principles:</li> </ul>			
		<ul style="list-style-type: none"> <li>- Best Execution</li> </ul>			
		<ul style="list-style-type: none"> <li>- aggregation and allocation</li> </ul>			
		<ul style="list-style-type: none"> <li>- front running</li> </ul>			
		<ul style="list-style-type: none"> <li>• international markets – main differences in principle and practice</li> </ul>			
Understand	Clearing, settlement and custody principles and practice relevant to client investment activity				
		<ul style="list-style-type: none"> <li>• clearing and central counterparty – UK process, duties, risks</li> </ul>			
		<ul style="list-style-type: none"> <li>• settlement:</li> </ul>			
		<ul style="list-style-type: none"> <li>- UK process</li> </ul>			
		<ul style="list-style-type: none"> <li>- International Central Securities Depositories</li> </ul>			

		(CSDs)			
		<ul style="list-style-type: none"> <li>• custody of assets and client money</li> </ul>			
		<ul style="list-style-type: none"> <li>• relevance and impact of corporate actions</li> </ul>			
Assess	The factors that influence market behaviour relevant to investment advice				
		<ul style="list-style-type: none"> <li>• factors that influence market and individual security movements:</li> </ul>			
		<ul style="list-style-type: none"> <li>- volume, liquidity and impact of trading activities – domestic and international markets</li> </ul>			
		<ul style="list-style-type: none"> <li>- derivatives market, interactivity of timed events, relationship with cash market</li> </ul>			
		<ul style="list-style-type: none"> <li>- research and ratings</li> </ul>			
		<ul style="list-style-type: none"> <li>- Market Abuse regime</li> </ul>			
		<ul style="list-style-type: none"> <li>• information and disclosure:</li> </ul>			
		<ul style="list-style-type: none"> <li>- issuer reporting and announcement, corporate actions</li> </ul>			
		<ul style="list-style-type: none"> <li>- transparency obligations – transaction reporting, share ownership and disclosure, short selling</li> </ul>			
		<ul style="list-style-type: none"> <li>- market data convention</li> </ul>			
Analyse	The characteristics, features, behaviours and risks of securities in the context of the market for these products				
		<ul style="list-style-type: none"> <li>• equities:</li> </ul>			
		<ul style="list-style-type: none"> <li>- share classes</li> </ul>			
		<ul style="list-style-type: none"> <li>- American Depositary Receipts (ADRs) and</li> </ul>			

		Global Depository Receipts (GDRs)			
		- comparative valuation measures and relevance			
		• debt securities:			
		- domestic and international government securities			
		- corporate debt securities			
		- duration, interest rates movements, price/yield relationship			
		- creditor ratings, creditor rankings			
		• derivative substitutes:			
		- warrants and covered warrants			
		- contracts for difference (CFDs)			
		• collectives:			
		- open and closed ended			
		- asset value, pricing and gearing			
		- asset cover, redemption yields			
		- investment management styles and fund selection			
		- passported products			
		• ETFs and structured products			
		• cash and cash equivalents			
		• Foreign Exchange			
<i>These standards include the requirement to COMBINE and APPLY the learning content from all units of the Appropriate Qualification</i>					
Apply	The relevant factors and considerations to decide and implement investment recommendations				
		• obtain the range of client information and subjective factors to understand their needs, wants, values and risk profile essential to planning			

		<ul style="list-style-type: none"> <li>● synthesise client and relevant market information to provide the basis for assumptions and decisions</li> </ul>			
		<ul style="list-style-type: none"> <li>● analyse the advantages and disadvantages of the appropriate options</li> </ul>			
		<ul style="list-style-type: none"> <li>● select, recommend, explain and justify, and transact:</li> </ul>			
		<ul style="list-style-type: none"> <li>- sources and use of research and other information</li> </ul>			
		<ul style="list-style-type: none"> <li>● holding securities within an investment portfolio:</li> </ul>			
		<ul style="list-style-type: none"> <li>- direct holdings, indirect holdings and combinations</li> </ul>			
		<ul style="list-style-type: none"> <li>- role of derivative substitutes</li> </ul>			
		<ul style="list-style-type: none"> <li>- rationale, advantages and disadvantages</li> </ul>			
		<ul style="list-style-type: none"> <li>- impact on overall client objectives and priorities</li> </ul>			
		<ul style="list-style-type: none"> <li>- asset allocation factors and relationship to overall portfolio</li> </ul>			
		<ul style="list-style-type: none"> <li>- matching to client risk appetite</li> </ul>			
		<ul style="list-style-type: none"> <li>● take account of relevant tax, accounting and costs considerations</li> </ul>			
		<ul style="list-style-type: none"> <li>● comply with advice and dealing regulation specific to securities – COBS</li> </ul>			
		<ul style="list-style-type: none"> <li>● client reporting requirements</li> </ul>			
		<ul style="list-style-type: none"> <li>● communication, monitoring, review and maintenance of the portfolio to achieve the client's objectives, deal with change and respond to setbacks</li> </ul>			

Table 5 – Derivatives

Attainment level	Learning outcome	Indicative content	Covered in qualification? (Y/N)	Evidence of qualification top-up?	Verification of qualification top-up and date
Understand	The derivatives market structure, features, regulatory and trading environment				
		<ul style="list-style-type: none"> <li>• role, structure and regulation of global derivatives markets: <ul style="list-style-type: none"> <li>- role of regulators, other supervisory bodies and trade associations</li> </ul> </li> <li>• range of derivative instruments and typical risks: <ul style="list-style-type: none"> <li>- financial derivatives</li> <li>- commodity derivatives</li> <li>- property derivatives</li> <li>- exotic derivatives</li> </ul> </li> <li>• market terminology</li> <li>• key market participants and roles</li> <li>• exchange trading and over-the-counter (OTC) trading – main differences: <ul style="list-style-type: none"> <li>- standard and bespoke</li> <li>- maturity, expiry, margin, collateral, liquidity</li> <li>- clearing and settlement</li> <li>- transparency and confidentiality</li> <li>- trading mechanisms</li> <li>- counterparties</li> </ul> </li> </ul>			

		<ul style="list-style-type: none"> <li>- documentation</li> <li>• central counterparty (CCP) clearing of OTC transactions</li> </ul>			
Understand	The principles, components, characteristics and risks of derivatives relative to the underlying				
		<ul style="list-style-type: none"> <li>• relationships to underlying</li> <li>• physically settled versus cash settled</li> <li>• general pricing principles – futures, options</li> </ul>			
Understand	The market environment, product types and characteristics of Exchange Traded derivatives				
		<ul style="list-style-type: none"> <li>• main products:                             <ul style="list-style-type: none"> <li>- futures</li> <li>- options</li> </ul> </li> <li>• main UK and international exchanges</li> <li>• trading platforms:                             <ul style="list-style-type: none"> <li>- mechanisms and procedures</li> </ul> </li> <li>• wholesale trading facilities:                             <ul style="list-style-type: none"> <li>- significance and uses</li> </ul> </li> <li>• clearing mechanisms and processes</li> </ul>			
Understand	The pricing, trading and market practice of Exchange Traded derivatives	<ul style="list-style-type: none"> <li>• calculation of profit/loss on delivery or expiry – futures and options</li> <li>• mechanisms for futures pricing:                             <ul style="list-style-type: none"> <li>- factors influencing pricing</li> </ul> </li> </ul>			



		<ul style="list-style-type: none"> <li>- bases for calculation</li> </ul>			
		<ul style="list-style-type: none"> <li>• mechanisms of options pricing:                             <ul style="list-style-type: none"> <li>- factors influencing pricing and premiums</li> <li>- bases for calculation</li> </ul> </li> </ul>			
		<ul style="list-style-type: none"> <li>• price discovery for commodities</li> </ul>			
		<ul style="list-style-type: none"> <li>• market transparency, reporting and monitoring</li> </ul>			
		<ul style="list-style-type: none"> <li>• order / instruction flow and order type</li> </ul>			
		<ul style="list-style-type: none"> <li>• input and matching, trade registration processes</li> </ul>			
Understand	The main types and characteristics of OTC traded derivatives				
		<ul style="list-style-type: none"> <li>• forwards and forward rate agreements (FRAs)</li> </ul>			
		<ul style="list-style-type: none"> <li>• OTC option products</li> </ul>			
		<ul style="list-style-type: none"> <li>• contracts for difference</li> </ul>			
		<ul style="list-style-type: none"> <li>• swaps:                             <ul style="list-style-type: none"> <li>- interest rate swaps</li> </ul> </li> </ul>			
		<ul style="list-style-type: none"> <li>• credit derivatives:                             <ul style="list-style-type: none"> <li>- credit default swaps</li> </ul> </li> </ul>			
		<ul style="list-style-type: none"> <li>• structured products</li> </ul>			
		<ul style="list-style-type: none"> <li>• OTC trade capture, confirmation and clearing mechanisms</li> </ul>			
Understand	Clearing, margin, settlement, exercise and delivery of both Exchange Traded and OTC derivatives				
		<ul style="list-style-type: none"> <li>• definition and purpose of clearing:                             <ul style="list-style-type: none"> <li>- roles and relationships</li> <li>- risks and guarantees</li> <li>- central counterparty clearing</li> </ul> </li> </ul>			

		<ul style="list-style-type: none"> <li>• purpose, types and application of margin:               <ul style="list-style-type: none"> <li>- parties involved</li> <li>- processing, collection and payment</li> <li>- pricing factors and calculation</li> </ul> </li> <li>• purpose, types and application of collateral</li> <li>• delivery and settlement</li> <li>• exercise of options, assignment of obligations, abandonment and expiry</li> </ul>			
Evaluate	The purpose, merits, limitations and risks of the main derivatives strategies for trading, hedging and investment relevant to client investment activity				
		<ul style="list-style-type: none"> <li>• trading and speculation</li> <li>• hedging:               <ul style="list-style-type: none"> <li>- options strategies</li> <li>- futures strategies</li> </ul> </li> <li>• investment and derivatives, including use of synthetics:               <ul style="list-style-type: none"> <li>- portfolio hedging</li> <li>- portfolio yield enhancement</li> <li>- structured funds and ETFs</li> </ul> </li> </ul>			
<i>These standards include the requirement to COMBINE and APPLY the learning content from all units of the Appropriate Qualification</i>					
Apply	The relevant factors and considerations to decide and implement investment recommendations				

		<ul style="list-style-type: none"> <li>● obtain the range of client information and subjective factors to understand their needs, wants, values and risk profile essential to planning</li> </ul>			
		<ul style="list-style-type: none"> <li>● synthesise client and relevant market information to provide basis for assumptions and decisions</li> </ul>			
		<ul style="list-style-type: none"> <li>● analyse the advantages and disadvantages of the appropriate strategies</li> </ul>			
		<ul style="list-style-type: none"> <li>● select, recommend, explain and justify, and transact:</li> </ul>			
		<ul style="list-style-type: none"> <li>- sources and use of research and other information</li> </ul>			
		<ul style="list-style-type: none"> <li>● holding derivatives within an investment portfolio:</li> </ul>			
		<ul style="list-style-type: none"> <li>- direct holdings, indirect holdings and combinations</li> </ul>			
		<ul style="list-style-type: none"> <li>- rationale, advantages and disadvantages</li> </ul>			
		<ul style="list-style-type: none"> <li>- impact on overall client objectives and priorities</li> </ul>			
		<ul style="list-style-type: none"> <li>- main factors to consider when holding both securities and derivatives within the portfolio</li> </ul>			
		<ul style="list-style-type: none"> <li>- asset allocation factors and relationship to overall portfolio</li> </ul>			
		<ul style="list-style-type: none"> <li>- matching to client risk appetite and trade-offs</li> </ul>			
		<ul style="list-style-type: none"> <li>● take account of relevant tax, accounting and costs considerations</li> </ul>			
		<ul style="list-style-type: none"> <li>● comply with advice and dealing regulations specific to derivatives – COBS</li> </ul>			
		<ul style="list-style-type: none"> <li>● client reporting requirements</li> </ul>			
		<ul style="list-style-type: none"> <li>● communication, monitoring, review and maintenance of the portfolio to achieve the client’s objectives, deal with change and respond to</li> </ul>			

		setbacks			
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**Table 6 – Pensions and retirement planning**

Attainment level	Learning outcome	Indicative content	Covered in qualification? (Y/N)	Evidence of qualification top-up?	Verification of qualification top-up and date
Understand	The political, economic and social environment factors which provide the context for pensions planning				
		<ul style="list-style-type: none"> <li>• role of Government, policy direction, challenges and proposed reforms</li> </ul>			
		<ul style="list-style-type: none"> <li>• corporate responsibilities, challenges and impact on pension provision</li> </ul>			
		<ul style="list-style-type: none"> <li>• demographic trends, longevity and ageing population</li> </ul>			
		<ul style="list-style-type: none"> <li>• incentives, disincentives and attitudes to saving</li> </ul>			
		<ul style="list-style-type: none"> <li>• main scheme types and methods of pension provision:                             <ul style="list-style-type: none"> <li>- State pension benefits</li> <li>- DB schemes, funding and benefits</li> <li>- DC schemes, funding and benefits</li> </ul> </li> </ul>			
Understand	How the HMRC tax regime applies to pension planning				

		<ul style="list-style-type: none"> <li>• funding/contributions to registered pension schemes, tax relief provision</li> </ul>			
		<ul style="list-style-type: none"> <li>• pension scheme investment funds</li> </ul>			
		<ul style="list-style-type: none"> <li>• death benefits before and after crystallisation</li> </ul>			
		<ul style="list-style-type: none"> <li>• pension scheme retirement benefits</li> </ul>			
		<ul style="list-style-type: none"> <li>• outline of the annual allowance, lifetime allowances, special annual allowance, and associated charges</li> </ul>			
		<ul style="list-style-type: none"> <li>• outline of relevant transitional reliefs post- Finance Act 2006</li> </ul>			
		<ul style="list-style-type: none"> <li>• outline of the tax treatment of other scheme types:                             <ul style="list-style-type: none"> <li>- Employer Funded Retirement Benefit Schemes (EFRBS)</li> <li>- Qualifying Recognised Overseas Pension Schemes (QROPS)</li> </ul> </li> </ul>			
Understand	The relevant aspects of pensions law and regulation to pensions planning				
		<ul style="list-style-type: none"> <li>• Pensions Regulator compliance requirements</li> <li>• pension protection schemes</li> <li>• trust and contract based pension schemes</li> <li>• role and duties of trustees and administrators</li> <li>• pensions and divorce</li> <li>• employment law relevant to pensions</li> <li>• bankruptcy law and pension assets</li> </ul>			
Understand	The structure, relevance and application of the State Schemes to an individual's pension				

	planning				
		<ul style="list-style-type: none"> <li>• basic state retirement benefits</li> </ul>			
		<ul style="list-style-type: none"> <li>• additional state retirement benefits, historic and current</li> </ul>			
		<ul style="list-style-type: none"> <li>• contracting in/out considerations</li> </ul>			
		<ul style="list-style-type: none"> <li>• pension credit framework</li> </ul>			
Understand	The structure, characteristics and application of Defined Benefit schemes to an individual's pension planning				
		<ul style="list-style-type: none"> <li>• main attributes and benefits of DB pension provision</li> </ul>			
		<ul style="list-style-type: none"> <li>• main types, variations and hybrids</li> </ul>			
		<ul style="list-style-type: none"> <li>• rules and operation of DB schemes</li> </ul>			
		<ul style="list-style-type: none"> <li>• funding methods and issues</li> </ul>			
		<ul style="list-style-type: none"> <li>• roles of trustees and other parties, and scheme reporting</li> </ul>			
		<ul style="list-style-type: none"> <li>• factors to consider and benefits on leaving, early and normal retirement</li> </ul>			
		<ul style="list-style-type: none"> <li>• benefits on ill health and death</li> </ul>			
		<ul style="list-style-type: none"> <li>• eligibility criteria and top up options</li> </ul>			
		<ul style="list-style-type: none"> <li>• transfer issues and considerations</li> </ul>			
		<ul style="list-style-type: none"> <li>• public sector schemes</li> </ul>			
Analyse	The range of Defined Contribution scheme options as they apply to an individual's pension planning				

		<ul style="list-style-type: none"> <li>• main attributes and benefits of DC pension provision</li> </ul>			
		<ul style="list-style-type: none"> <li>• legal bases for schemes and main impacts</li> </ul>			
		<ul style="list-style-type: none"> <li>• main types of DC schemes and their rules and operation</li> </ul>			
		<ul style="list-style-type: none"> <li>• contributions – methods and issues</li> </ul>			
		<ul style="list-style-type: none"> <li>• contracting out, rebates and the contracting out decision</li> </ul>			
		<ul style="list-style-type: none"> <li>• benefits on leaving and death before crystallisation</li> </ul>			
		<ul style="list-style-type: none"> <li>• scheme options, limitations and restrictions</li> </ul>			
		<ul style="list-style-type: none"> <li>• crystallisation options and impact of decisions</li> </ul>			
		<ul style="list-style-type: none"> <li>• transfer issues and considerations</li> </ul>			
		<ul style="list-style-type: none"> <li>• stakeholder pensions</li> </ul>			
		<ul style="list-style-type: none"> <li>• Personal Accounts</li> </ul>			
Analyse	The options and factors to consider for drawing pension benefits				
		<ul style="list-style-type: none"> <li>• State retirement benefits</li> </ul>			
		<ul style="list-style-type: none"> <li>• DB schemes:                             <ul style="list-style-type: none"> <li>- scheme benefits, payment guarantees, survivor benefits</li> </ul> </li> </ul>			
		<ul style="list-style-type: none"> <li>• DC schemes:                             <ul style="list-style-type: none"> <li>- secured pensions, types of annuities and main features</li> <li>- unsecured pensions</li> <li>- compliance requirements</li> </ul> </li> </ul>			
		<ul style="list-style-type: none"> <li>• phased retirement – options, benefits and risks</li> </ul>			
		<ul style="list-style-type: none"> <li>• timing of decisions and implementation</li> </ul>			
		<ul style="list-style-type: none"> <li>• triviality rules</li> </ul>			

Evaluate	The aims and objectives of retirement planning including the relevant investment issues				
		<ul style="list-style-type: none"> <li>● assessing and quantifying retirement aims and objectives:</li> </ul>			
		<ul style="list-style-type: none"> <li>- availability and prioritisation of savings</li> </ul>			
		<ul style="list-style-type: none"> <li>- assumptions and impacts</li> </ul>			
		<ul style="list-style-type: none"> <li>- conflicts with other objectives</li> </ul>			
		<ul style="list-style-type: none"> <li>- timescales and risk</li> </ul>			
		<ul style="list-style-type: none"> <li>● investments available to meet this objective:</li> </ul>			
		<ul style="list-style-type: none"> <li>- suitability and risk</li> </ul>			
		<ul style="list-style-type: none"> <li>- rates of return needed</li> </ul>			
		<ul style="list-style-type: none"> <li>- accumulation and decumulation strategies, life-styling</li> </ul>			
		<ul style="list-style-type: none"> <li>- products and wrappers, advantages and constraints, critical yield</li> </ul>			
		<ul style="list-style-type: none"> <li>- other sources of non-pension income</li> </ul>			
		<ul style="list-style-type: none"> <li>● asset allocation factors, relationship to overall portfolio</li> </ul>			
		<ul style="list-style-type: none"> <li>● self investment:</li> </ul>			
		<ul style="list-style-type: none"> <li>- main characteristics</li> </ul>			
		<ul style="list-style-type: none"> <li>● alternative sources for pension income</li> </ul>			
		<ul style="list-style-type: none"> <li>- alternative sources of capital including non-pension investment assets, home equity, proceeds from sale of a business, inheritance</li> </ul>			
		<ul style="list-style-type: none"> <li>- advantages and drawbacks</li> </ul>			
		<ul style="list-style-type: none"> <li>● factors affecting regular reviews</li> </ul>			



**Table 7 – Application standards for packaged products**

Outcome standards	Assessment	Covered in qualification? (Y/N)	Evidence of qualification top-up?	Verification of qualification top-up and date
Candidates should be able to:	Assessment at this level will seek to test ability to:			
<ul style="list-style-type: none"> <li>Obtain appropriate client information and understand clients' needs, wants, values and risk profile essential to the financial planning process</li> </ul>	<ul style="list-style-type: none"> <li>Identify and use relevant understanding, methods and skills to address problems that are complex and non-routine while normally fairly well defined</li> </ul>			
<ul style="list-style-type: none"> <li>Synthesise the range of client information, subjective factors and indicators to provide the basis for financial planning assumptions and decisions</li> </ul>				
<ul style="list-style-type: none"> <li>Analyse a client's situation and the advantages and disadvantages of the appropriate options</li> </ul>	<ul style="list-style-type: none"> <li>Take responsibility for overall courses of action as well as exercise autonomy and judgement</li> </ul>			
<ul style="list-style-type: none"> <li>Formulate suitable financial plans for action</li> </ul>	<ul style="list-style-type: none"> <li>Initiate and use appropriate investigation to inform actions</li> <li>Analyse, interpret and evaluate relevant information and ideas</li> </ul>			
<ul style="list-style-type: none"> <li>Explain and justify recommendations</li> </ul>				
<ul style="list-style-type: none"> <li>Implement, review and maintain financial plans to achieve the clients' objectives and adapt to changes in circumstances</li> </ul>	<ul style="list-style-type: none"> <li>Review the effectiveness and appropriateness of methods, actions and results</li> </ul>			

**Part 2: Comes into force on 1 July 2011**

Amend the following as shown.

2.1.15 R [to follow]

2.1.16 G [to follow]

2.1.17 R [to follow]

2.1.18 G [to follow]

2.1.19 G [to follow]

2.1.20 G [to follow]

2.1.21 G [to follow]

2.1.22 G [to follow]

2.1.23 G [to follow]

2.1.24 R [to follow]

2.1.25 R [to follow]

2.1.26 R [to follow]

2.1.27 R [to follow]

2.1.28 R [to follow]

2.1.29 G [to follow]

2.1.30 G [to follow]

Notification requirements

2.1.31 R *A firm* must notify the *FSA* as soon as reasonably practicable after it becomes aware, or has information which reasonably suggests, that any of the following events has occurred or may have occurred in relation to any of its *retail investment advisers*, and the event is significant:

(1) *a retail investment adviser*, who has been assessed as competent for the purposes of *TC 2.1.1R*, is no longer considered competent for those purposes;

(2) *a retail investment adviser* has failed to attain an appropriate qualification within the time limit prescribed by *TC 2.2A.1R(1)*;

(3) *a retail investment adviser* has failed to comply with a *Statement of Principle* in carrying out his *controlled function*; and

(4) a retail investment adviser has performed an activity in TC Appendix 1 before having demonstrated the necessary competence for the purposes of TC 2.1.1R and without appropriate supervision.

2.1.32 G When considering whether an event is significant a firm should include the following in its considerations:

(1) the potential risk of consumer detriment as a result of the event;

(2) whether the event or a pattern of events indicate recurrent issues in relation to one or more retail investment advisers; and

(3) its obligations under Principle 11.

2.1.33 G The Retail Investment Adviser Competence Notification Form approved by the FSA for notifications under TC 2.1.31R may be found at the FSA's website [www.fsa.gov.uk/Pages/Doing/Regulated/Notify/index.shtml](http://www.fsa.gov.uk/Pages/Doing/Regulated/Notify/index.shtml).

...

## Sch 2 Notification requirements

2.1G ~~There are no notification or reporting requirements in TC.~~

<u>Handbook reference</u>	<u>Matter to be notified</u>	<u>Contents of notification</u>	<u>Trigger event</u>	<u>Time allowed</u>
<u>TC 2.1.31R</u>	<u>Notifications – issues relating to the competency and behaviour of retail investment advisers.</u>	<p>(1) <u>Information about any circumstances relevant to the issue; and</u></p> <p>(2) <u>information about any steps which a firm has taken or intends to take to rectify the position or prevent any future potential occurrence.</u></p>	<u>Becoming aware, or having information which reasonably suggests that any of the following has occurred or may occur, and the event is significant:</u>	<u>As soon as reasonably practicable.</u>
			<u>(1) a retail investment adviser, who has been assessed as competent for the purposes of TC 2.1.1R, is no longer considered competent for the purposes of</u>	

			<u>TC 2.1.1.R:</u>	
			<u>(2) a retail investment adviser has failed to attain an appropriate qualification within the time limit prescribed by TC 2.2A.1R(1):</u>	
			<u>(3) a retail investment adviser has failed to comply with a Statement of Principle in carrying out his controlled function; and</u>	
			<u>(4) a retail investment adviser has performed an activity in TC Appendix 1 before having demonstrated the necessary competence for the purposes of TC 2.1.1R and without appropriate supervision.</u>	

**Part 3: Comes into force on 31 December 2012**

Supervision

- 2.1.4 G *Firms* should ensure that those supervising *employees* carrying on an activity in *TC* Appendix 1 have the necessary coaching and assessment skills as well as technical knowledge and experience to act as a competent supervisor and assessor. In particular *firms* should consider whether it is appropriate to require those supervising *employees* not assessed as competent to attain an appropriate qualification as well except where the *employee* is giving advice on ~~*packaged products*~~ *retail investment products*, see *TC* 2.1.5R.
- 2.1.5 R Where an *employee* is giving advice on ~~*packaged products*~~ *retail investment products* to *retail clients* and has not been assessed as competent to do so,

the *firm* must ensure that the individual supervising and assessing that *employee* has attained an appropriate qualification.

...

#### Qualification requirements before starting activities

...

2.1.8A R A firm must ensure that an *employee* who was assessed as competent as a *retail investment adviser* for the purposes of TC 2.1.1R at 30 June 2009 does not carry on the activity of a *retail investment adviser* without first attaining an appropriate qualification.

#### Exemption from appropriate qualification requirements

- 2.1.9 R (1) If a *firm* is satisfied that an *employee* meets the conditions in this *rule* then the requirements to have attained each module of an appropriate qualification will only apply if that *employee* is carrying on one of the activities specified in this *rule*.
- (2) The conditions are that a *firm* should be satisfied that an *employee*:
- (a) has at least three years' up-to-date relevant experience in the activity in question obtained while employed outside the *United Kingdom*;
  - (b) has not previously been required to comply fully with the relevant qualification requirements in TC 2.1.1R; and
  - (c) has attained the relevant regulatory module of an appropriate qualification;
- but (b) and (c) do not apply to an *employee* who is benefiting from the "30-day rule" exemption in SUP 10.10.7BR, unless the *employee* benefits from that rule because he is advising *retail clients* on ~~*packaged products*~~ *retail investment products* or is a *broker fund adviser*.
- (3) The relevant activities are:
- (a) *advising on investments* which are ~~*packaged products*~~ *retail investment products*, if that advice is given to *retail clients*;
  - (b) the activity of *broker fund adviser*;
  - (c) *advising on syndicate participation at Lloyd's*; or
  - (d) the activity of a *pension transfer specialist*.

...

Continuing professional development

- 2.1.15 R ~~{to follow}~~ Subject to TC 2.1.17R, a firm must ensure that a retail investment adviser who has been assessed as competent for the purposes of TC 2.1.1R remains competent by completing a minimum of 35 hours of appropriate continuing professional development in each 12 month period.
- 2.1.16 G ~~{to follow}~~ In order to meet the requirement in TC 2.1.15R, a retail investment adviser should complete no less than 21 hours of structured continuing professional development activities.
- 2.1.17 R ~~{to follow}~~ A firm is permitted to suspend the requirements of TC 2.1.15R in respect of a retail investment adviser for the period of time during which the retail investment adviser is continuously absent from work, if that absence is due to:
- (1) maternity, paternity or adoption leave;
  - (2) long-term illness or disability;
  - (3) caring responsibilities for a family member who has a long-term illness or disability; or
  - (4) any other absence allowed in order for the firm to meet its statutory duties in relation to equality and diversity.
- 2.1.18 G ~~{to follow}~~ In TC 2.1.17R(3), a family member includes a partner, parent, grandparent, sibling or child.
- 2.1.19 G ~~{to follow}~~ In deciding whether to suspend the requirements of TC 2.1.15R, a firm should take into account:
- (1) the retail investment adviser's individual circumstances;
  - (2) the length of time the retail investment adviser is likely to be absent from carrying on the activity; and
  - (3) its statutory duties in relation to equality and diversity.
- 2.1.20 G ~~{to follow}~~ Examples of structured continuing professional development activities include participating in courses, seminars, lectures, conferences, workshops, web-based seminars or e-learning which require a contribution of thirty minutes or more.
- 2.1.21 G ~~{to follow}~~ Examples of unstructured continuing professional development activities include:
- (1) conducting research relevant to the individual's role;
  - (2) reading industry or other relevant material;

- (3) participating in professional development coaching or mentoring sessions.
- 2.1.22 G ~~{to follow}~~ All continuing professional development should:
- (1) be relevant to the *retail investment adviser's* current role and any anticipated changes to that role;
- (2) maintain the *retail investment adviser's* knowledge by reference to current qualification standards relevant to the *retail investment adviser's* role;
- (3) contribute to the *retail investment adviser's* professional skill and knowledge;
- (4) address any identified gaps in the *retail investment adviser's* technical knowledge;
- (5) have written learning objectives based on learning needs and a documented learning outcome;
- (6) be measurable and capable of being independently verified by an *accredited body*.
- 2.1.23 G ~~{to follow}~~ Continuing professional development completed by a *retail investment adviser* in relation to activities other than acting as a *retail investment adviser* should not be taken into account for the purposes of TC 2.1.15R unless it is also relevant to the activity of acting as a *retail investment adviser*.
- 2.1.24 R ~~{to follow}~~ A *firm* must, for the purposes of TC 3.1.1R (Record keeping), make and retain records of:
- (1) the continuing professional development completed by each *retail investment adviser*; and
- (2) the dates of and reasons for any suspension of the continuing professional development requirements under TC 2.1.17R.
- 2.1.25 R ~~{to follow}~~ A *firm* must not prevent a *retail investment adviser* from obtaining a copy of the records relating to that *retail investment adviser* which are maintained by the *firm* for the purposes of TC 2.1.24R.

#### Annual declarations

- 2.1.26 R ~~{to follow}~~ A *firm* must ensure that a *retail investment adviser* confirms annually in writing that the *retail investment adviser* has, in the preceding 12 months:
- (1) complied with *APER*; and

- (2) if applicable, completed the continuing professional development required under TC 2.1.15R.

Independent verification

- 2.1.27 R ~~{to follow}~~ A firm must obtain from an accredited body independent verification of the firm's compliance with:
- (1) in respect of its retail investment advisers only, the requirement in TC 2.1.1R to attain each module of an appropriate qualification;
  - (2) TC 2.1.15R; and
  - (3) TC 2.1.26R.
- 2.1.28 R ~~{to follow}~~ The independent verification in TC 2.1.27R must be obtained by a firm:
- (1) in respect of a competent retail investment adviser who began to carry on the activity of a retail investment adviser on or before 31 December 2012, within 60 days of that date and of the anniversary of that date thereafter;
  - (2) in respect of a retail investment adviser who began to carry on the activity of a retail investment adviser on or after 1 January 2013, within 60 days of the date on which the retail investment adviser was assessed as competent as a retail investment adviser and of the anniversary of that date thereafter.
- 2.1.29 G ~~{to follow}~~ Independent verification for the purposes of TC 2.1.27R should take the form of a statement of professional standing issued by an accredited body.
- 2.1.30 G ~~{to follow}~~ The Glossary definition of accredited body contains a list of bodies recognised by the FSA for the purpose of providing the independent verification required under TC 2.1.27R. Information on accredited bodies, including guidance on the process for including a body in the list is set out in TC Appendix 6G and the obligation to pay the application fee is set out in FEES 3.2.



After TC 2.2A insert the following new section. The text is not underlined.

## **2.2B Reporting requirements**

### Application

- 2.2B.1 R This section applies to a *firm* with *employees* that are *retail investment advisers*.

### Purpose

- 2.2B.2 G (1) The purpose of this section is to set out the requirement for *firms* which employ *retail investment advisers* to notify each individual *retail investment adviser's* professional standards data to the *FSA*.
- (2) The purpose of collecting this data is to assist the *FSA* in the ongoing supervision of *firms* which employ *retail investment advisers* and to enable the *FSA* to gain an understanding of the professional development of individual *retail investment advisers* in the interests of protecting customers.

### Reporting requirement

- 2.2B.3 R (1) A *firm* must submit a report (the 'data report') to the *FSA* containing the information required by *TC 2.2B.4R* quarterly, within 20 *business days* of the end of the quarter, unless (3) applies.
- (2) The reporting periods are the four calendar quarters of each year beginning on 1 January.
- (3) A *firm* need not submit a data report if no changes have occurred in relation to the information submitted by the *firm* in its previous report.
- (4) A *firm* may submit a data report more frequently than quarterly if it wishes.

### Content of the report

- 2.2B.4 R The report must contain professional standards data as follows:
- (1) the *firm's* name and *FSA* Firm Reference Number;
- (2) the names and *FSA* Individual Reference Numbers of the *firm's* *employees* who are *retail investment advisers*, including trainees;
- (3) whether a *retail investment adviser* has attained an appropriate qualification;
- (4) if a *retail investment adviser* has not attained an appropriate qualification, the date on which the *employee* began to carry on the

activity of a *retail investment adviser*; and

(5) the name of the *accredited body* used for the purposes of *TC* 2.1.27R.

2.2B.5 R The data report must comply with the provisions of *TC* Appendix 8R.

2.2B.6 R A *firm* must submit the data report to the *FSA* electronically in a standard format prescribed by the *FSA*.

2.2B.7 R A data report will not have been submitted to the *FSA* in accordance with *TC* 2.2B.6R unless all mandatory data reporting fields (as set out in *TC* Appendix 8R) have been completed correctly and the report has been accepted by the relevant *FSA* reporting system.

Amend the following as shown.

**Appendix 1.1 Activities and Products/Sectors to which TC applies subject to TC Appendices 2 and 3**

**App 1.1.1R**

Activity	Products/Sectors		Is there an appropriate qualification requirement?
<i>Designated investment business</i> carried on for a <i>retail client</i>			
...			
Advising	...		
	4.	<del><i>Packaged products</i></del> <i>Retail investment products</i> which are not <i>broker funds</i>	Yes
...			

...

**Appendix 6G Accredited bodies**

Introduction

...

1. An *accredited body* is a body ~~recognised by the *FSA* to act as an accredited body~~ appearing in the list of such bodies in the *Glossary*.

...

3. ~~The role of an *accredited body* relates to rules in *TC* which come into force on 31 December 2012. [deleted]~~

...

12. The *FSA* will expect an *accredited body* to have in place effective procedures for carrying out its verification activities. This should include:

- (1) verifying that each *retail investment adviser* who is a member of or subscriber to the *accredited body's* verification service has made an annual declaration in writing that the *retail investment adviser* has, in the preceding 12 months, complied with *APER* and completed the continuing professional development required under *TC 2.1.15R*;

...

...

After TC Appendix 7 insert the following new appendix. The text is not underlined.

**Appendix 8R Professional Standards Data Submission Form**

**Retail Investment Adviser - Professional Standards Data Submission Form**  
(all fields are mandatory)

<b>Firm details</b>			
Firm Name		Firm Reference Number (FRN)	
<b>Person submitting form</b>			
Name		Individual Reference Number (IRN) (where applicable)	
Position in firm		Contact telephone number	
Contact email address		Date of submission	

<b>Retail Investment Advisers</b>				
Column 1	Column 2	Column 3	Column 4	Column 5
Name	Individual Reference Number (IRN)	Qualification Status (part or fully qualified)	Accredited Body	Date adviser began activity of a retail investment adviser

## Schedule 1 Record keeping requirements

### Sch -1.1 G

TC 2.1.24R provides:	
A <i>firm</i> must, for the purposes of TC 3.1.1R (Record keeping), make and retain records of:	
(1)	<u>the continuing professional development completed by each <i>retail investment adviser</i>; and</u>
(2)	<u>the dates of and reasons for any suspension of the continuing professional development requirements under TC 2.1.17R.</u>

### Sch 1.1 G

TC 3.1.1R provides:	
...	

## Schedule 2 Notification requirements

2.1G

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
TC 2.1.31R	...	...	...	...
TC 2.2B.3R	<u>Notifications – professional standards data</u>	<p>(1) <u>The <i>firm's</i> name and FSA Firm Reference Number;</u></p> <p>(2) <u>the names and FSA Individual Reference Numbers of the <i>firm's employees</i> who are <i>retail investment advisers</i>, including trainees;</u></p> <p>(3) <u>whether a <i>retail investment adviser</i> has attained an appropriate qualification;</u></p> <p>(4) <u>if a <i>retail investment adviser</i> has not attained an</u></p>	<u>The end of each quarter.</u>	<u>Within 20 business days of the end of the quarter, unless TC 2.2B.3R(3) applies.</u>

		<p><u>appropriate qualification, the date on which the <i>employee</i> began to carry on the activity of a <i>retail investment adviser</i>; and</u></p> <p><u>(5) the name of the <i>accredited body</i> used for the purposes of <i>TC 2.1.27R</i>.</u></p>		
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## Annex C

## Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text.

## Comes into force on 1 February 2011

## 3.2 Obligation to pay fees

...

Method of payment

...

## 3.2.3 R ...

(2) The FSA does not specify a method of payment for a *person* seeking to:

(a) become a *recognised body* or a *designated professional body*; or

(b) ~~to~~ be added to the list of *designated investment exchanges* or accredited bodies.

...

3.2.4 G The FSA expects that a *person* seeking to become a *recognised body* or a *designated professional body* or to be added to the list of *designated investment exchanges* or accredited bodies will generally pay their respective fees by electronic credit transfer.

...

## 3.2.7 R Table of application, notification and vetting fees

(1) Fee payer	(2) Fee payable	Due date
...		
<u>(z1) An applicant for recognition as an accredited body.</u>	<u>£2,500</u>	<u>On or before the date the application is made.</u>

## Annex D

### Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

**Comes into force on 31 December 2012**

#### 10.10 Customer functions

...

Customer function (CF 30)

...

- 10.10.7C G The *FSA* would expect an individual from overseas to be accompanied on a visit to a *customer*. *TC 2.1.9R(2)* provides that the *firm* will have to be satisfied that the individual has at least three years' up-to-date relevant experience obtained outside the *United Kingdom*. However, the remaining provisions of *TC 2.1.9R(2)* are disapplied in these circumstances (except for an individual who gives advice to *retail clients* on ~~*packaged products*~~ *retail investment products* or is a *broker fund adviser*). The effect of this is that such individuals need not pass the relevant regulatory module of an appropriate qualification (see *TC 2.1.9R(2)*).