











**financial ASSESS** is an online system designed to help the financial planning industry improve its commercial performance, enhance levels of customer care and importantly, meet the Training and Competence requirements of the Financial Services Authority (FSA). Modular in structure, it covers the core areas of financial advice, including, but not limited to, retirement planning, advice skills and needs identification, taxation, savings and investment, regulation and ethics, and trusts.

























**financial ASSESS** complements existing training and L&D programmes and is suitable for all types of organisation involved with the provision of financial advice.























## Guide to Content




















Course	Module / Subject	Topic	Duration (mins)	Format	Level
<b>Regulatory Essentials - Financial – Suite A</b>	<b>Financial Planning Environment</b>	Dignity at work	60		1
		Important statutes			
		Regulated financial planning products			
	<b>Financial Services Authority (FSA)</b>	Introduction to FSA regulation	100		1
		High level standards			
		Financial: Conduct of Business rules			
		Complaints, FOS and FSCS			
	<b>Data Protection</b>	Data Protection Laws	80		1
		Important terms			
		Eight data protection principles			
		Fair and lawful processing			
		Individuals rights			
		Practical guidance			
	<b>Information Security</b>	Why information security is important	90		1
		How to mitigate information security risks			
		Your responsibilities for information security in your job			
	<b>Financial Crime (FS)</b>	What is money laundering?	80		1
		Laws, offences and penalties			
		Joint Money Laundering Steering Group			
		Know Your Customer			
		Reporting			
		Fraud			
	<b>Treating Customers Fairly (Financial Services)</b>	Introduction	60		1
TCF principles and outcomes					
TCF and you					
TCF within corporate culture					















<b>Regulatory Essentials – Financial – Suite A</b>	<b>Approved Persons</b>	Authorisation of approved persons	115		1
		Code of conduct of approved persons (principles 1–4)			
		Code of conduct of approved persons (significant influence functions)			
	<b>Conflicts of Interest</b>	Defining conflicts of interest	90		1
		Recognising and managing conflicts of interest			
		FSA rules and conflicts of interest			
	<b>Professional Obligations</b>	Sources of professional obligations	105		1
		Professional obligations and the FSA			
		CII code, business ethics and ISO standards			
	<b>Treating Customers Fairly (Supervisory)</b>	FSA 'treating customers fairly' initiative	90		2
		Your firm's TCF strategy			
		TCF operational reviews			


















# Technical Learning Modules Library


















Module	Subject	Topic	Format
A. Economic environment and investment risk	Introduction	Introduction	
	A:1 Economic cycles and growth	Main stages of economic cycles	
		Lengthening economic cycles	
		Variations in economic cycles	
		Longer-term growth trends	
		Stock market cycles and economic cycles	
	A:2 Money and money supply	The link between money supply and inflation	
		Measuring money supply	
	A:3 Inflation, deflation and stagflation	Retail Prices Index (RPI)	
		Consumer Prices Index (CPI)	
		Inflation and the UK: <ul style="list-style-type: none"> <li>The 1970s</li> <li>The 1980s and 1990s</li> <li>The period since 1997</li> </ul>	
		Deflation: <ul style="list-style-type: none"> <li>Japan</li> <li>UK</li> </ul>	
		Stagflation	
	A:4 Interest rates and central banks	Rising interest rates: <ul style="list-style-type: none"> <li>Central Banks</li> <li>How interest rate changes affect the economy</li> </ul>	
		The Monetary Policy Committee	
	A:5 Balance of Payments	The current account	
		The capital account: <ul style="list-style-type: none"> <li>Balancing effect of capital and current accounts</li> <li>Importance of the balance of payments</li> </ul>	
	A:6 Exchange Rates	Real long-term exchange rates	
		Fixed or floating rates of exchange – ERM	
		Economic and monetary union: <ul style="list-style-type: none"> <li>Structure and working of EMU</li> <li>Advantages of membership of EMU for UK</li> <li>Disadvantages of membership of EMU for UK</li> <li>UK Entry</li> </ul>	
	A:7 Economic Indicators	Economic Indicators	
	A:8 Assessing individual company performance	Common Yardsticks	
		Stock markets	
		The 'Index'	
		The importance of the 'Index'	





















	<b>A:9 Investments and investment returns</b>	The reason for investment and its role in the economy: <ul style="list-style-type: none"> <li>• The role of investment</li> <li>• The secondary markets</li> <li>• Derivative investments</li> <li>• Impact of investment markets on the economy</li> <li>• Returns to investors</li> </ul>	
		Inflation and investment returns <ul style="list-style-type: none"> <li>• Real returns</li> <li>• Past performance – real returns</li> </ul>	
		The power of compound interest	
		The time value of money	
		Investment returns past and present: <ul style="list-style-type: none"> <li>• The risk-free rate of return</li> <li>• Fixed interest returns</li> <li>• Equity returns</li> <li>• Varying relative returns – past performance</li> <li>• The risk premium</li> <li>• Risk and reward</li> </ul>	
	<b>A:10 Causes and types of risk</b>	Equity capital risks	
		Currency risk	
		Interest rate risk	
		Liquidity risk	
		Institutional risk	
		Regulatory risk	
		Income risk: <ul style="list-style-type: none"> <li>• Cash deposit interest volatility</li> <li>• Share dividend volatility</li> <li>• Property</li> </ul>	
		Inflation risk	
		Shortfall risk: <ul style="list-style-type: none"> <li>• Long-term cash investment</li> <li>• Equity and other investments – lower than expected returns</li> <li>• Risk and non-equity investments</li> </ul>	
	<b>A:11 Investors and investment risk</b>	Determining an investor's risk profile: <ul style="list-style-type: none"> <li>• Time scale</li> <li>• Age</li> <li>• Family commitments</li> <li>• Income or assets</li> <li>• Subjective factors</li> </ul>	
	<b>A:12 Volatility and risk</b>	Variations in volatility	
		Volatility at different times	
		Measuring volatility – the standard deviation and what it means	
		How standard deviation is used: <ul style="list-style-type: none"> <li>• What does this information tell us?</li> </ul>	
		Strategies for dealing with volatility	
Calculating standard deviation			
Past performance			





























		Investment Market Risk Theory: <ul style="list-style-type: none"> <li>• Systemic and non-systemic</li> <li>• Capital asset pricing model (CAPM)</li> <li>• Beta</li> <li>• Alpha and total return</li> <li>• Criticisms of CAPM</li> </ul>	
	<b>A:13 Reducing risk through diversification</b>	Equity diversification <ul style="list-style-type: none"> <li>• Diversifying from individual shares</li> <li>• Diversifying across sectors</li> <li>• Diversifying across international markets</li> </ul>	
		Diversification with fixed interest securities	
		Commercial property diversification	
		Diversification across asset classes	
		Diversification using collective investments	
<b>B. Retirement Planning</b>	<b>Introduction</b>	Introduction	
	<b>B:1 Are pensions the only way to plan for retirement?</b>	Alternatives to pensions: <ul style="list-style-type: none"> <li>• Investing in the business</li> <li>• Individual Savings Accounts (ISAs)</li> <li>• Residential property</li> </ul>	
		Tax advantages of pensions	
		The main stages of retirement planning	
	<b>B:2 The state pension scheme</b>	Introduction – the main components of the state pension structure	
		The basic state pension: <ul style="list-style-type: none"> <li>• Payment age</li> <li>• Entitlement</li> <li>• Pension amount</li> <li>• Pension increases</li> <li>• Taxation</li> <li>• National insurance contributions</li> <li>• Basic state pension – widows' and widowers' death and bereavement benefits</li> <li>• DWP forecast service</li> </ul>	
		The State Earnings Related Pension Scheme (SERPS): <ul style="list-style-type: none"> <li>• Calculation of benefits</li> <li>• Widows' and widowers' benefits under SERPS</li> </ul>	
		State Second Pension (S2P): <ul style="list-style-type: none"> <li>• Stage 1 – earnings-related pension</li> <li>• Stage 2 – flat rate benefits</li> <li>• Contracting out of S2P</li> </ul>	
		Pension Credit: <ul style="list-style-type: none"> <li>• Pension credit – structure</li> <li>• Pension credit and claimants' capital</li> <li>• Effects of the pension credits</li> </ul>	
	<b>B:3 Pension tax structure: the main allowances</b>	Lifetime allowance: <ul style="list-style-type: none"> <li>• Benefit crystallisation events</li> <li>• Lifetime allowance charge</li> <li>• Transitional protection for high value benefits</li> </ul>	
		Annual allowance: <ul style="list-style-type: none"> <li>• Pension input amount and period</li> <li>• Annual allowance charge</li> </ul>	
	<b>B:4 Pension tax structure: other tax and DWP rules</b>	Eligibility for scheme membership	
		Tax relief on contributions: <ul style="list-style-type: none"> <li>• Personal contributions</li> <li>• Employer contributions</li> </ul>	


























		<p>Tax position of investment fund and pension scheme benefits:</p> <ul style="list-style-type: none"> <li>• The fund</li> <li>• Pension commencement lump sum</li> <li>• Pension benefits</li> <li>• Death benefits</li> <li>• Tax sanctions</li> </ul>	
		<p>Investments:</p> <ul style="list-style-type: none"> <li>• Investment in the sponsoring employer</li> <li>• Loans to sponsoring employers</li> <li>• Borrowing by a scheme</li> <li>• Taxable property</li> <li>• Assets used by scheme members</li> </ul>	
		Retirement age	
		<p>Drawing income benefits:</p> <ul style="list-style-type: none"> <li>• Scheme pension</li> <li>• Lifetime annuity</li> <li>• Unsecured pension</li> <li>• Phased retirement</li> <li>• Alternatively secured pension</li> </ul>	
		<p>Death benefits:</p> <ul style="list-style-type: none"> <li>• Death before crystallisation of retirement benefits — lump sums</li> <li>• Death before crystallisation of retirement benefits — dependants' annuities/pensions</li> <li>• Death benefits after annuity purchase/scheme pension commencement</li> <li>• Death while drawing unsecured pension</li> <li>• Death while drawing alternatively secured pension</li> </ul>	
	<b>B:5 Occupational pensions</b>	Introduction – types of occupational schemes	
		<p>Defined benefit schemes:</p> <ul style="list-style-type: none"> <li>• Private sector schemes</li> <li>• Public sector schemes</li> </ul>	
		Executive pension schemes	
		<p>Small self-administered schemes:</p> <ul style="list-style-type: none"> <li>• Investment powers of investment-regulated schemes</li> <li>• Suitability of a SSAS</li> </ul>	
		<p>Pension transfers:</p> <ul style="list-style-type: none"> <li>• Comparison of benefits on transfer</li> </ul>	
		<p>Topping up occupational pension:</p> <ul style="list-style-type: none"> <li>• Additional voluntary contributions</li> </ul>	
	<b>B:6 The Pensions Act 2004 and the future of pension provision</b>	<p>Pensions Acts 2004 and 2007:</p> <ul style="list-style-type: none"> <li>• Basic state pension</li> <li>• State pension age</li> <li>• State pension deferral</li> <li>• S2P</li> <li>• Contracting out</li> <li>• Pension credit</li> <li>• Short service benefits</li> <li>• Pension protection fund</li> <li>• The Pension Regulator</li> <li>• Solvent wind ups</li> <li>• Wind up priorities</li> <li>• Limited price indexation</li> </ul>	
		<p>The pension world now:</p> <ul style="list-style-type: none"> <li>• Personal pension or occupational scheme?</li> <li>• SIPP or SSAS?</li> <li>• Contribution timing</li> <li>• Employee pension provision</li> <li>• Contracting out</li> <li>• Advice</li> </ul>	
		The Personal Accounts White Paper	






























	<b>B:7 Pensions and Divorce</b>	Pension offset	
		Pension earmarking	
		Pension sharing	
		Divorce and simplification	
	<b>B:8 Self-Invested Personal Pensions</b>	Eligibility	
		Contributions: <ul style="list-style-type: none"> <li>• Annual allowance</li> <li>• Personal contributions</li> <li>• Employer contributions</li> </ul>	
		SIPP structures	
		Investments	
		In-specie contributions	
		Charges	
		FSA view of SIPPs	
		<b>B:9 Pension Transfers</b>	Preservation rules <ul style="list-style-type: none"> <li>• Revaluation of preserved pensions</li> <li>• Escalation of pensions in payment</li> </ul>
	Transfer value calculations <ul style="list-style-type: none"> <li>• GN11</li> <li>• DWP regulations</li> <li>• Underfunding</li> <li>• Transfer clubs</li> </ul>		
	Analysing defined benefit scheme transfers <ul style="list-style-type: none"> <li>• TVAS output</li> <li>• Other transfer considerations</li> </ul>		
	Defined contribution transfers		
	Product types <ul style="list-style-type: none"> <li>• Personal pension</li> <li>• Section 32 buy out bonds</li> </ul>		
	FSA view of transfers <ul style="list-style-type: none"> <li>• Qualification requirements</li> <li>• Opt-outs and non-joiners</li> </ul>		
	Bulk buy outs		
































<b>C. Advice skills and needs identification</b>	<b>Introduction</b>	Introduction: <ul style="list-style-type: none"> <li>• The purpose of financial planning</li> <li>• The main stages of financial planning</li> </ul>	
	<b>C:1 Knowing the client</b>	The regulatory basis: <ul style="list-style-type: none"> <li>• Status of the adviser</li> <li>• Limits of authorisation and competence</li> <li>• 'Assessing Suitability' rule (prior to 1 November 2007: 'Know the Client rule')</li> <li>• The information that should be collected</li> <li>• Execution only, limited advice and basic advice</li> <li>• Professional clients</li> <li>• Insistent clients</li> <li>• Record-keeping</li> <li>• Treating customers fairly</li> </ul>	
		Fact-finding – the key areas: <ul style="list-style-type: none"> <li>• The basic details</li> <li>• Income and employment details</li> <li>• Self-employed people and controlling directors</li> <li>• Expenditure</li> <li>• Assets</li> <li>• Liabilities and guarantees</li> <li>• Protection policies</li> <li>• Pension details – accumulation phase</li> <li>• Wills, gifts and trusts</li> <li>• Establishing the client's risk profile</li> <li>• Aims and objectives</li> <li>• Ethical investment</li> </ul>	
	<b>C:2 Identifying aims and objectives</b>	Summarising the client's financial position: <ul style="list-style-type: none"> <li>• Advantages of a summary</li> <li>• Main parts of the summary</li> </ul>	
		Gap analysis: <ul style="list-style-type: none"> <li>• Immediate income</li> <li>• Contingent income</li> <li>• Future capital or income needs</li> <li>• Retirement income</li> </ul>	
	<b>C:3 Identifying the priority areas for advice</b>	Identifying the priority areas for advice	
	<b>C:4 Agreeing a strategy</b>	Covering immediate living expenses: <ul style="list-style-type: none"> <li>• Aims</li> <li>• Advice – budgeting and affordability</li> </ul>	
		Health protection – income: <ul style="list-style-type: none"> <li>• Aims</li> <li>• Advice</li> </ul>	
		Health insurance – capital: <ul style="list-style-type: none"> <li>• Aims</li> <li>• Advice</li> </ul>	
		Life assurance: <ul style="list-style-type: none"> <li>• Aims</li> <li>• Advice</li> </ul>	
		Protection against redundancy: <ul style="list-style-type: none"> <li>• Aims</li> <li>• Advice</li> </ul>	
		Buying a home and raising a mortgage: <ul style="list-style-type: none"> <li>• Aims</li> <li>• Advice</li> </ul>	
		Providing for the costs of education: <ul style="list-style-type: none"> <li>• Aims</li> <li>• Advice</li> </ul>	
Retirement planning: <ul style="list-style-type: none"> <li>• Aims</li> <li>• Advice</li> </ul>			
Short-term saving: <ul style="list-style-type: none"> <li>• Aims</li> <li>• Advice</li> </ul>			
Longer-term saving and investment: <ul style="list-style-type: none"> <li>• Aims</li> <li>• Advice</li> </ul>			
Active and passive investment: <ul style="list-style-type: none"> <li>• Aims</li> <li>• Advice</li> </ul>			
























		<p>With Profit (WP) funds:</p> <ul style="list-style-type: none"> <li>Principles and practices of Financial Management (PPFM)</li> <li>FSA returns</li> <li>Asset Allocation</li> <li>Suitability of a WP investment – new investor</li> <li>Advice on existing WP contracts</li> </ul>	
		<p>Estate planning:</p> <ul style="list-style-type: none"> <li>Aims</li> <li>Advice – general estate planning</li> <li>Advice – long-term care</li> <li>Advice – inheritance tax planning</li> </ul>	
	<b>C:5 Tax Planning</b>	Tax Planning	
	<b>C:6 Implementing the plan</b>	<p>Recommending products and product providers - best advice:</p> <ul style="list-style-type: none"> <li>Wraps</li> </ul>	
		<p>Suitability reports:</p> <ul style="list-style-type: none"> <li>The aim of the suitability report</li> <li>Style of the suitability report</li> <li>Content of the suitability report</li> <li>Specific areas</li> </ul>	
		Words to watch	
		Signing the suitability letter	
		Timing	
	<b>C:7 Implementing the financial plan</b>	Best execution	
		Disclosure of costs	
	<b>C:8 Regular reviews and ongoing service</b>	Regular reviews and ongoing service	
<b>D. Protection</b>	<b>Introduction</b>	<p>Introduction:</p> <ul style="list-style-type: none"> <li>Types of insurance</li> <li>The effects of advances in medical science</li> </ul>	
	<b>D:1 Regulation</b>	Investment policies	
		Long-term care policies – non-investment	
		Other insurance policies	
	<b>D:2 Life assurance</b>	<p>Policy types:</p> <ul style="list-style-type: none"> <li>Whole of life assurance</li> <li>Term assurance</li> <li>Pensions term assurance</li> <li>Multiplans</li> </ul>	
		The need for life cover	
		<p>Assessing life assurance needs:</p> <ul style="list-style-type: none"> <li>How the policy should be written – own life, joint life or life of another</li> <li>The amount and term of cover needed</li> <li>Taking account of existing insurance</li> <li>Choosing suitable types of policy</li> <li>The need for flexibility</li> <li>The need to increase insurance levels</li> </ul>	
		<p>Trusts and life assurance:</p> <ul style="list-style-type: none"> <li>Advantages of using trusts for life policies</li> <li>MWPA trusts</li> <li>Flexible and discretionary trusts</li> <li>Choosing trustees</li> <li>Trust wordings</li> <li>What policies can be written in trust?</li> </ul>	
		<p>Taxation of life assurance policies:</p> <ul style="list-style-type: none"> <li>Income taxes</li> <li>Inheritance tax</li> </ul>	























	<b>D:3 Income Protection Insurance</b>	Need for income protection insurance	
		Product features: <ul style="list-style-type: none"> <li>Increasing cover</li> <li>Reviewable and guaranteed policies</li> <li>Renewable policies</li> </ul>	
		Underwriting	
		Definitions of incapacity	
		Exclusions and conditions	
		State benefits on illness and incapacity: <ul style="list-style-type: none"> <li>Claims before 27 October 2008</li> <li>Claims after 27 October 2008 – ESA to replace incapacity benefit</li> </ul>	
		The taxation of income protection insurance	
		Waiver of premium	
		Claims	
		Group schemes and keyperson schemes	
	<b>D:4 Critical illness insurance</b>	The cover	
		How CI is arranged	
		The need for CI	
		Children's benefits	
		Trusts and critical illness insurance	
		Comparing critical illness cover and income protection: <ul style="list-style-type: none"> <li>The advantages of CI over IP</li> <li>Potential drawbacks of CI compared to IP</li> </ul>	
		Recent developments to premium rates	
		Taxation of critical illness policies	
	<b>D:5 Mortgage payment protection insurance</b>	Cover provided by MPPI	
		Need for MPPI	
		Comparing MPPI with income protection insurance: <ul style="list-style-type: none"> <li>Advantages of MPPI over IP</li> <li>Advantages of IP over MPPI</li> <li>Limitations of both MPPI and IP</li> <li>Limitation of unemployment insurance</li> <li>Long-term MPPI</li> </ul>	
		State support for mortgage costs: <ul style="list-style-type: none"> <li>State benefit rules</li> <li>Limits on state benefits</li> </ul>	
	<b>D:6 Accident insurance</b>	Compensation claims	
		Accident insurance for children	
	<b>D:7 Long-term care</b>	Long-term care insurance features	
		Meeting the need for income to fund long-term care: <ul style="list-style-type: none"> <li>Period of care</li> <li>The costs of care</li> </ul>	
		State help for long-term care	
		Pre-funded long-term care insurance	
























		Lasting power of attorney	
		Quantifying the need for LTC benefit	
		Taxation of long-term care products: <ul style="list-style-type: none"> <li>• Pre-funded insurance</li> <li>• Point of need insurance</li> </ul>	
	<b>D:8 Covering healthcare costs – private medical insurance, etc</b>	Private medical insurance: <ul style="list-style-type: none"> <li>• Advantages of private health care</li> <li>• Arranging PMI</li> <li>• Individual and group cover</li> <li>• Underwriting PMI</li> </ul>	
		Health costs abroad: <ul style="list-style-type: none"> <li>• Short-term trips</li> <li>• Longer term travel and visits</li> <li>• Overseas state medical care</li> <li>• Paying for health treatment abroad</li> </ul>	
		Other health cost cover: <ul style="list-style-type: none"> <li>• Health cash plans</li> <li>• Providing for NHS charges and associated costs of treatment</li> <li>• Providing cover to meet NHS costs</li> <li>• Dental plans</li> <li>• Integrated health plans</li> <li>• How much PMI or cash plan cover is enough?</li> </ul>	
	<b>D:9 Estate Planning</b>	Creating a cash sum outside the estate	
		Paying an IHT liability on death	
		Planning for couples	
		Long-term care insurance	
	<b>D:10 Protecting a business</b>	Types of business: <ul style="list-style-type: none"> <li>• Sole trader</li> <li>• Partnership</li> <li>• Limited company</li> <li>• Limited liability partnerships</li> </ul>	
		Other business issues	
		Key person protection: <ul style="list-style-type: none"> <li>• Key person income protection insurance</li> </ul>	
	<b>D:11 Group risks and employee benefits</b>	Main types of protection employee benefits	
		Paying for the costs of group protection policies	
		Underwriting and group schemes	
		Continuation option	
	<b>D: 12 Underwriting</b>	Underwriting process	
		Other underwriting evidence	
		Offering terms	
		Non-disclosure and treating customers fairly	
<b>E. Taxation</b>	<b>Introduction</b>	Introduction <ul style="list-style-type: none"> <li>• Why tax is important in financial planning</li> <li>• Scope of the module</li> </ul>	
	<b>E:1 Income tax</b>	Liability to income tax	
		How to calculate an individual's income tax: <ul style="list-style-type: none"> <li>• Income tax calculation</li> <li>• Grossing up interest</li> </ul>	
		Married couples and civil partners	





















		Tax credits	
		Self-employed	
		Employees and directors: <ul style="list-style-type: none"> <li>• Expenses</li> <li>• Benefits for employees</li> <li>• The taxation of company cars</li> <li>• Employee share schemes</li> </ul>	
		Investment income: <ul style="list-style-type: none"> <li>• Taxed and untaxed savings income</li> <li>• UK dividends</li> <li>• Property income</li> </ul>	
		Relief for loan interest	
		Offshore bonds	
		Income tax planning	
	<b>E:2 National insurance contributions</b>	Employees: <ul style="list-style-type: none"> <li>• Employees' NICs</li> <li>• Employer's NICs</li> </ul>	
		Self-employed	
		Voluntary	
		Contracting out of S2P	
	<b>E:3 Self-assessment</b>	Main features	
		Tax payments	
	<b>E:4 Capital Gains Tax</b>	Liability to capital gains tax (CGT)	
		Disposal of assets	
		Death	
		Deductions	
		Capital losses	
		Rate of tax	
		Main exemptions	
		Indexation allowance	
		Other main reliefs	
		Tax computation	
		CGT planning	
	<b>E:5 Inheritance tax</b>	Liability to inheritance tax (IHT)	
		Rate of tax	
		Gifts with reservation (GWR)	
		Discounted gift schemes (DGS)	
		Main exemptions	



















		Potentially exempt transfers (PETs)	
		Lifetime chargeable transfers	
		Quick succession relief	
		Business and agricultural property relief	
		IHT planning	
	<b>E:6 Stamp Duty</b>	Stamp Duty	
	<b>E:7 Corporation tax</b>	Liability to corporation tax (CT)	
		Capital gains	
		Rates of tax	
		Dividends	
		Date of tax payment	
		Capital allowances	
		Corporation tax planning	
	<b>E:8 Value added tax</b>	Liability to value added tax (VAT)	
		Registration	
		The VAT system	
		Exempt supplies	
		Zero-rated supplies	
		EU single market	
		Collection of VAT	
	<b>E:9 Charities and tax</b>	General tax position	
		Gift aid	
		Payroll deduction	
		Gifts in kind	
	<b>E:10 Insurance premium tax</b>	Insurance premium tax	
<b>F. Savings and investments</b>	<b>Introduction</b>	Introduction	
	<b>F:1 Deposits and savings schemes</b>	Past performance	
		Types of account: <ul style="list-style-type: none"> <li>• Instant access accounts</li> <li>• Notice accounts</li> <li>• Fixed rate accounts</li> <li>• Structured deposits</li> </ul>	
		Tax	
		Instant Savings Accounts (ISAs)	
		National Savings and Investments	
























	<b>F:2 Fixed interest securities</b>	Main characteristics of fixed interest investments: <ul style="list-style-type: none"> <li>Nominal value and market price</li> <li>Coupon</li> <li>Redemption date</li> <li>Credit rating</li> </ul>	
		Gilts	
		Corporate bonds	
		Yields of fixed interest investments: <ul style="list-style-type: none"> <li>The income yield</li> <li>The redemption yield</li> </ul>	
		Taxation of fixed interest investments: <ul style="list-style-type: none"> <li>Individual investors</li> <li>Corporate investors</li> </ul>	
	<b>F:3 Equities – UK and overseas</b>	Past performance of equities	
		Primary and secondary markets: <ul style="list-style-type: none"> <li>The primary market</li> <li>The secondary market</li> </ul>	
		Taxation of dividends	
		Stock market indices	
		Key share measures: <ul style="list-style-type: none"> <li>Dividend yield</li> <li>Price/earnings ratio (P/E ratio)</li> <li>Dividend cover</li> </ul>	
		Unlisted shares: <ul style="list-style-type: none"> <li>The Enterprise Investment Scheme</li> </ul>	
		Derivatives: <ul style="list-style-type: none"> <li>Futures</li> <li>Options</li> </ul>	
		Absolute return	
	<b>F:4 Property</b>	Commercial property: <ul style="list-style-type: none"> <li>Leases</li> <li>Property investment returns</li> </ul>	
		Residential property: <ul style="list-style-type: none"> <li>Yields</li> <li>Costs</li> <li>Capital returns</li> </ul>	
		Taxation of property investment	
	<b>F:5 Open-ended investment funds</b>	Basic structure	
		Range of funds	
		Charges and pricing: <ul style="list-style-type: none"> <li>The initial charge</li> <li>The annual management charge</li> <li>Pricing</li> <li>Single pricing for unit trusts</li> </ul>	
		Dealing in funds	
		Taxation of OEICs and unit trusts	
		COLL and other developments in authorised funds: <ul style="list-style-type: none"> <li>Limited issue funds (LIFs)</li> <li>Limited redemption funds</li> <li>Guaranteed and protected funds</li> <li>Index tracker funds</li> <li>Key Facts</li> <li>Unit trust classes</li> <li>Performance fees</li> </ul>	
		Offshore funds: <ul style="list-style-type: none"> <li>Tax</li> </ul>	
















		Derivative-based investments: <ul style="list-style-type: none"> <li>• Structure of derivative-based plans</li> <li>• Risks</li> <li>• Examples of structured product</li> </ul>	
		Exchange traded funds (ETFs) <ul style="list-style-type: none"> <li>• The ETF marketplace</li> <li>• Indices and themes</li> <li>• Performance and charges</li> </ul>	
	<b>F:6 Investment trusts</b>	Dealing	
		Pricing, premiums and discounts	
		Gearing	
		Classes of share: <ul style="list-style-type: none"> <li>• Income shares</li> <li>• Zero dividend shares</li> <li>• Capital shares</li> </ul>	
		Taxation	
		Venture capital trusts	
		Investment trusts or OEICs and unit trusts? <ul style="list-style-type: none"> <li>• Gearing</li> <li>• Discounts</li> <li>• Charges</li> <li>• Investment choice</li> </ul>	
	<b>F:7 Individual savings accounts</b>	Structure: <ul style="list-style-type: none"> <li>• Components</li> <li>• Types of ISA</li> </ul>	
		Tax benefits	
		Eligibility	
		Transfers	
		Charges	
	<b>F:8 Investment bonds</b>	Fund choices: <ul style="list-style-type: none"> <li>• With-profits funds</li> <li>• Property funds</li> <li>• Managed funds</li> </ul>	
		Charges	
		Tax: <ul style="list-style-type: none"> <li>• Rates of tax on life company funds</li> <li>• Policyholder taxation – UK bonds</li> <li>• Offshore bonds</li> </ul>	
		Investment bonds or collective funds: <ul style="list-style-type: none"> <li>• For direct investment in Funds</li> <li>• For bonds</li> </ul>	
		Stakeholder products now: <ul style="list-style-type: none"> <li>• Taxation</li> <li>• Stakeholder products</li> <li>• Reactions</li> </ul>	
	<b>F:9 Child Trust Fund</b>	Structure <ul style="list-style-type: none"> <li>• Savings accounts</li> <li>• Share accounts</li> <li>• Stakeholder CTFs</li> </ul>	
		Tax benefits	
		Eligibility	

		Payments: <ul style="list-style-type: none"> <li>Initial government payment</li> <li>Adjustments for children born between 1 September 2002 and 5 April 2005</li> <li>Subsequent government payment</li> <li>Top up payments</li> </ul>	
		Administration	
		Transfers	
		Maturity	
	<b>F:10 Asset allocation</b>	Why asset allocation matters	
		Making the asset allocation decision: <ul style="list-style-type: none"> <li>Timescale</li> <li>Acceptable level of loss</li> <li>Need for income</li> </ul>	
		Matching assets and answers	
		Look through: <ul style="list-style-type: none"> <li>With-profits funds</li> <li>Managed/balanced funds</li> </ul>	
		Sample asset allocations	
		Correlation and asset allocation	
	<b>F:11 With-profit funds</b>	With profit problems	
		Closed funds: <ul style="list-style-type: none"> <li>Asset allocation</li> <li>Performance</li> </ul>	
		Advising on profit switches: <ul style="list-style-type: none"> <li>The FSA's 10 questions</li> <li>FSA insurance sector briefing paper</li> </ul>	
	<b>F:12 Wraps and fund supermarkets</b>	Fund supermarket or wrap <ul style="list-style-type: none"> <li>Fund supermarket</li> <li>Wrap</li> </ul>	
		Different types of wrap	
		The size of the wrap market	
		Wraps and regulation	
	<b>F:13 Socially responsible investing</b>	Socially responsible investing	
	<b>F:14 Commodities</b>	Commodities: <ul style="list-style-type: none"> <li>Basic principles</li> <li>Opportunities for investing</li> <li>Risks</li> </ul>	
<b>G.Regulations</b>	<b>G:1 The main aims and activities of the Financial Services Authority (FSA)</b>	The FSA's key objectives	
		The FSA's main role and activities: <ul style="list-style-type: none"> <li>Direct authorisation and regulation of the UK financial services system</li> <li>Monitoring the activities of the various recognised bodies</li> <li>Policing the financial services system</li> </ul>	
		The FSA's principles	
		Treating customers fairly (TCF): <ul style="list-style-type: none"> <li>Outcomes of TCF</li> <li>Stages</li> <li>Customer agreements</li> <li>Processes</li> <li>Use of management information</li> <li>Product and service design</li> <li>Conduct of business rules</li> </ul>	


		Approved persons and controlled functions: <ul style="list-style-type: none"> <li>Controlled functions</li> <li>Roles with controlled functions</li> <li>Importance of the approved persons regime</li> </ul>	
		The FSA's principles for approved persons	
		The fit and proper test for approved persons: <ul style="list-style-type: none"> <li>Honesty, integrity, reputation</li> <li>Competence and capability</li> <li>Financial soundness</li> </ul>	
		Senior management arrangements, systems and controls: <ul style="list-style-type: none"> <li>Individual responsibilities</li> <li>Systems and controls</li> <li>Whistle blowing</li> </ul>	
	<b>G:2 The FSA's main structure and approach to regulation</b>	Authorisation: <ul style="list-style-type: none"> <li>Exempt persons</li> <li>Regulated activities</li> <li>Regulated investments</li> <li>Firms' permissions</li> </ul>	
		Depolarisation: <ul style="list-style-type: none"> <li>Application of depolarisation</li> <li>Appointed representatives and employees</li> <li>IFA</li> </ul>	
		Supervision: <ul style="list-style-type: none"> <li>The risk based approach</li> <li>Research</li> <li>Supervisory operations</li> <li>Rule waivers</li> <li>Enhanced strategy for small firms</li> </ul>	
		Financial resources	
		Discipline and enforcement: <ul style="list-style-type: none"> <li>Enforcement</li> <li>Disciplinary action</li> </ul>	
		Notifications and returns by firms: <ul style="list-style-type: none"> <li>Reporting requirements</li> <li>Notification requirements</li> </ul>	
	<b>G:3 The FSA's conduct of business rules and the firm</b>	Approved persons: <ul style="list-style-type: none"> <li>Individual approval</li> <li>Controlled functions</li> </ul>	
		Advertising rules: <ul style="list-style-type: none"> <li>Financial promotions</li> <li>Real time and non-real time promotions – the distinction</li> <li>Real time financial promotions –requirements</li> <li>Non-real time financial promotions – requirements</li> </ul>	
		Record keeping: <ul style="list-style-type: none"> <li>Access</li> <li>Retaining records</li> </ul>	
		Training and competence: <ul style="list-style-type: none"> <li>Recruitment</li> <li>Attaining competence</li> <li>Appropriate examinations</li> <li>Maintaining competence</li> </ul>	
	<b>G:4 The FSA's conduct of business rules and client advice</b>	The Markets in Financial Institutions Directive (MiFID) and the new Conduct of Business Rules (COBS)	
		Different types of customer: <ul style="list-style-type: none"> <li>Eligible counterparty</li> <li>Professional client</li> <li>Retail client</li> </ul>	
		Client agreements	
		Information about the firm	
		Advice and sales: <ul style="list-style-type: none"> <li>Know your customer</li> <li>Suitability of advice</li> <li>Disclosure</li> <li>Charges and commission</li> </ul>	
		Product disclosure: <ul style="list-style-type: none"> <li>Key features documents</li> <li>Cancellation notices</li> </ul>	

	Dealing and managing:	<ul style="list-style-type: none"> <li>• Churning and switching</li> <li>• Best execution</li> <li>• Timely execution</li> </ul>	
	Rules that apply specifically to IFAs:	<ul style="list-style-type: none"> <li>• Professional indemnity insurance</li> <li>• Client money rules</li> </ul>	
	General insurance:	<ul style="list-style-type: none"> <li>• Authorisation</li> <li>• Information about the firm</li> <li>• Product types</li> <li>• Suitability</li> <li>• Product disclosure</li> <li>• Cancellation</li> <li>• Renewal</li> <li>• Claims</li> <li>• Other rules</li> </ul>	
	Mortgage rules		
<b>G:5 Anti-money laundering rules</b>	What are the proceeds of crime?		
	The main money laundering offences:	<ul style="list-style-type: none"> <li>• Money laundering the proceeds of crime</li> <li>• Failure to disclose knowledge of money laundering</li> <li>• Tipping off</li> <li>• Penalties</li> </ul>	
	Customer due diligence:	<ul style="list-style-type: none"> <li>• What is meant by Simplified Due Diligence?</li> <li>• What is Enhanced Due Diligence?</li> <li>• Requirements for the verification of non face-to-face customers</li> <li>• Definition of Politically Exposed Persons</li> </ul>	
	Record keeping		
	Internal reporting procedures		
	Training		
	Responsibility		
	Conclusion		
	<b>G:6 Complaints and compensation</b>	Complaints procedure:	<ul style="list-style-type: none"> <li>• Eligible complainants</li> <li>• Complaints</li> <li>• Publicising the complaints procedure – before the complaint</li> <li>• Handling the complaint</li> </ul>
The Financial Ombudsman Service (FOS):		<ul style="list-style-type: none"> <li>• Jurisdiction of the FOS</li> <li>• Time limits for references to the FOS</li> <li>• FOS procedures</li> <li>• Compensation awards</li> </ul>	
The Financial Services Compensation Scheme (FSCS)			
<b>G:7 The impact of other legislation and regulations</b>	The Data Protection Act 1998 (DPA):	<ul style="list-style-type: none"> <li>• DPA definitions</li> <li>• The data protection principles</li> <li>• Penalties for non-compliance with the DPA</li> </ul>	
	Consumer Credit Act:	<ul style="list-style-type: none"> <li>• Licences</li> <li>• Regulations</li> </ul>	
	The Pensions Regulator (formerly Occupational Pensions Regulatory Authority)		
	Employment law and recruitment:	<ul style="list-style-type: none"> <li>• Discrimination</li> <li>• Types of discrimination</li> <li>• Employment equality regulations – sexual orientation, religion and belief</li> <li>• Age</li> <li>• Behaviour in an interview</li> <li>• Taking and giving references</li> </ul>	

	<b>G:8 Proposed future developments in regulation</b>	Travel insurance	
		Retail distribution review	
<b>H. Trusts</b>	<b>Introduction</b>	Introduction: <ul style="list-style-type: none"> <li>Why the adviser needs to understand trusts</li> <li>Scope and limitations of this module</li> </ul>	
	<b>H:1 The basic trust structure</b>	What is a trust?	
		The three parties to a trust: <ul style="list-style-type: none"> <li>The settlor</li> <li>The trustees</li> <li>The beneficiaries</li> </ul>	
	<b>H:2 Main types of trust</b>	Absolute trusts	
		Life interest trusts	
		Flexible trusts	
		Settlor interested trusts: <ul style="list-style-type: none"> <li>Settlor as potential beneficiary</li> <li>Contingent reverter to settlor trusts</li> </ul>	
		Split trusts	
		Discretionary trusts: <ul style="list-style-type: none"> <li>Uses</li> </ul>	
		Accumulation and maintenance trusts	
		Statutory trusts	
		Charitable trusts: <ul style="list-style-type: none"> <li>General</li> <li>Special rules for charitable trusts</li> </ul>	
	<b>H:3 Trusts and investments</b>	General principles	
		Trustees' responsibilities	
		Trustee Act 2000	
		Appropriate investments	
	<b>H:4 Taxation</b>	Types of trust for tax purposes	
		Income tax: <ul style="list-style-type: none"> <li>Bare trusts</li> <li>Interest in possession trusts</li> <li>Discretionary trusts</li> <li>Accumulation and maintenance trusts</li> <li>Trusts for the vulnerable</li> </ul>	
		Capital gains tax <ul style="list-style-type: none"> <li>Bare trusts</li> <li>Trusts for the vulnerable</li> <li>All other trusts</li> </ul>	
		Inheritance tax <ul style="list-style-type: none"> <li>Bare trusts</li> <li>Life interest/interest in possession trusts</li> <li>Discretionary trusts and most new trusts created during the settlor's lifetime</li> <li>Accumulation and maintenance trusts</li> </ul>	
Pre-owned assets tax (POAT)			
Other non-IHT Trust Tax changes			
<b>H:5 Planning with trusts</b>		Life policies and trusts	
	Pension policies and trusts		

		IHT planning trusts: <ul style="list-style-type: none"> <li>• Discretionary will trusts</li> <li>• Two-year discretionary will trusts</li> <li>• Accumulation and maintenance trusts</li> <li>• Reversionary trusts</li> <li>• Carve-out trusts</li> <li>• Other specialist trusts</li> </ul>	
		Protective trusts	
		Other trusts	
		Overseas trusts	
	<b>H:6 Administration of an estate after death</b>	Wills: <ul style="list-style-type: none"> <li>• Valid wills</li> <li>• Executors</li> </ul>	
		Intestacy: <ul style="list-style-type: none"> <li>• The administrator</li> <li>• Joint tenancies</li> </ul>	
		Probate and letters of administration	
		Inheritance tax	
		Other taxes: <ul style="list-style-type: none"> <li>• Income tax at death</li> <li>• Capital gains tax at death</li> <li>• Tax during the administration</li> </ul>	
		Deed of variation: <ul style="list-style-type: none"> <li>• Backdating the tax effects</li> <li>• Limitations</li> </ul>	
		Scotland	
	<b>H:7 Powers of attorney</b>	Basic principles	
		Lasting power of attorney	
		Enduring power of attorney	
		Court of Protection	

**Key:**

Format	Symbol
Interactive e-learning	
Printable PDF file	