

Advanced Financial Planning Ce (P)
CODE: ADVFIN REF: 0000029 D: 23OCT97
VOLM: ISS: 1998 COPY: 001

CHARTERED INSURANCE INSTITUTE LIBRARY

9.94 BOX 480 ITEM 1

CURRENT SEQ

THE CHARTERED INSURANCE INSTITUTE

Advanced

Financial Planning Certificate

leading to SOFA qualifications

Taxation and trusts

Personal investment planning

Business financial planning

Pensions

Investment portfolio management

Long-term care, life and health protection

Supervision and sales management

Holistic financial planning

ENQUIRIES

Administrative matters including membership applications, examination entries and study course enrolment:

ADMINISTRATION OFFICE
31 Hillcrest Road, South Woodford
London E18 2JP
Tel: 0181-989 8464 • Fax: 0181-530 3052

Purchasing course books and handing in forms in person at:

BOOKSHOP
20 Aldermanbury, London EC2V 7HY
Tel: 0181-989 8464 • Fax: 0171-726 0131

Opening hours:

9am to 5pm, Monday to Thursday

9am to 4.45pm, Friday

ADMINISTRATION OFFICE
31 Hillcrest Road, South Woodford
London E18 2JP
Tel: 0181-989 8464 • Fax: 0181-530 3052

Enquiries on CII distance learning courses and study methods:

TUTORIAL HELPLINE
Tel: 0181-235 1633

Enquiries on the structure or syllabus content of the examinations covered in this handbook:

EXAMINATIONS DIVISION
31 Hillcrest Road, South Woodford
London E18 2JP
Tel: 0181-235 1656 • Fax: 0181-532 9890

Information on

- short courses, revision courses, intensive exam courses and in-house training;
- technical enquiries on the content of course materials;
- course availability at local colleges;
- information on resources for lecturers;
- computer-based training packages and videos:

CII EDUCATION*
Churchill Court, 90 Kippington Road
Sevenoaks, Kent TN13 2LL
Tel: 01732 450888 • Fax: 01732 457062

For information on vocational qualifications, modern apprenticeships and other national training initiatives:

IITC HELPLINE*
Churchill Court, 90 Kippington Road
Sevenoaks, Kent TN13 2LL
Tel: 01732 741231

Information on continuing professional development:

CPD ADVISORY SERVICES
31 Hillcrest Road, South Woodford
London E18 2JP
Tel: 0181-235 1657 • Fax: 0181-989 9498

*** Churchill Court is expected to close by the end of 1997.**

From December 1997 therefore, please direct all mail for departments currently based at Churchill Court to

31 Hillcrest Road, South Woodford, London E18 2JP

and telephone them on 0181-898 8464.

Advanced Financial Planning Certificate ® AFPC ®

Published by the Chartered Insurance Institute © 1997

CONTENTS

Closing dates	ii	G30 Business financial planning	
Introduction	1	Syllabus.....	28
Examination framework and related SOFA categories	2	Reading list	30
SOFA membership categories.....	3	G60 Pensions	
Advanced Financial Planning Certificate	4	Syllabus.....	31
SOFA qualifications	5	Reading list	36
Entry standards and transitional arrangements	6	G70 Investment portfolio management	
Examination requirements and exemptions	7	Syllabus.....	37
Exemption application form	13	Reading list	41
Continuous assessment.....	15	G80 Long-term care, life and health protection	
Examination guides and examiners' reports.....	16	Syllabus.....	42
Examination entry procedures (and dates)	17	Reading list	44
The examination day	19	H15 Supervision and sales management	
After the examination	20	Syllabus.....	45
		Reading list	49
G10 Taxation and trusts		H25 Holistic financial planning	
Syllabus.....	21	Syllabus.....	50
Reading list	24	Reading list	53
G20 Personal investment planning		Examination centres.....	54
Syllabus.....	25	Examination entry form	55
Reading list	27	Applying for SOFA registration/affiliation	57
		Direct debit mandate	61

STUDY OPTIONS

A separate study options brochure gives details of the following

- Coursebooks and update service
- Correspondence course
- Examination guides and examiners' reports
- Case study workbooks
- Computer-based training and CD-ROM packages
- Audio tapes
- Intensive courses and revision days.

If you do not have a copy of *AFPC study options* with this handbook, you can obtain one free of charge from the administration office on 0181-989 8464.

SPECIAL NOTE

This edition is intended for candidates entering for the April and October 1998 examinations.

The handbook for candidates entering for the examinations in 1999 will be published in September 1998.

HOW TO USE THIS HANDBOOK

You will find everything you should need to know about the AFPC examinations in this handbook. When you enter for an examination, you acknowledge by signing the entry form that you have read this handbook and agree to abide by the regulations contained in it. It is therefore in your interests that you are familiar with the contents of the handbook.

CLOSING DATES

	<i>April 1998 exams</i>	<i>October 1998 exams</i>
ORDER STUDY COURSES	Please allow 21 days for delivery in the UK	Please allow 21 days for delivery in the UK
LAST DATE TO APPLY FOR CONTINUOUS ASSESSMENT	26 January 1998 (G60 only)	27 July 1998 (G10 and G60 only)
CLOSING DATE FOR YOUR EXAM ENTRY TO REACH THE CII <i>at normal fees</i> £60 for each paper (members) £80 for each paper (non-members)	19 February 1998 (changes to exam entries, etc. not accepted after this date)	20 August 1998 (changes to exam entries, etc. not accepted after this date)
<i>at late entry fee*</i> £110 for each paper (members) £130 for each paper (non-members)	2 April 1998 (exam entries cannot be accepted after this date)	1 October 1998 (exam entries cannot be accepted after this date)
RECEIVE EXAM ENTRY CONFIRMATION	Up to 28 days after sending in application	Up to 28 days after sending in application
LAST DATE FOR CONTINUOUS ASSESSMENT ASSIGNMENTS TO BE SUBMITTED TO TUTORS	9 March 1998 (G60 only)	7 September 1998 (G10 and G60 only)
RECEIVE YOUR EXAM ADMISSION PERMIT	Two weeks before the exams begin	Two weeks before the exams begin
SIT EXAMS	21–24 April 1998	20–23 October 1998
RECEIVE EXAM RESULTS	End June 1998	Early January 1999
ENTER FOR THE NEXT EXAMS	You do not have to wait for your results before entering for an exam in the next session	You do not have to wait for your results before entering for an exam in the next session

* Please see page 17 if you are making a late entry for H25 Holistic financial planning

INTRODUCTION

THE CHARTERED INSURANCE INSTITUTE

The Chartered Insurance Institute (CII) is the leading professional organisation for people working in the insurance and financial services fields. Its function is to promote efficiency and improvement in business practice among its members. It achieves this by providing a wide range of educational and training activities, including examinations. There is also a code of conduct which requires a high standard of ethical behaviour from members.

The CII's examinations are taken by thousands of insurance and financial services staff each year and the qualifications awarded are recognised throughout the world as evidence of a high level of achievement.

THE SOCIETY OF FINANCIAL ADVISERS

The Society of Financial Advisers—SOFA for short—was established in 1991 by the CII as a professional body dedicated to the needs of financial advisers. It is formally recognised as the retail financial services arm of the CII.

THE NEW FRAMEWORK OF SOFA QUALIFICATIONS

From the outset, SOFA's aim has been to raise standards and establish a framework of designations for financial advisers which is recognised by the consumer, supported by the financial services sector and acknowledged by practitioners. That framework is now in place, based on the progressive examinations for financial advisers run by the CII.

The foundation, or 'benchmark', level of competence—a mandatory requirement of the regulators—is achievable through the Financial Planning Certificate. The wide range of further examinations is designed to provide appropriate education and qualifications at every stage of your career, and at high levels of professionalism. An increasingly sophisticated investing public is taking an ever closer interest in the capabilities and professional standing of advisers, and the regulatory bodies are setting compulsory benchmarks of competence. These form the foundation for qualifications which will bring you the professional standing essential for a successful career.

The CII examinations, and the SOFA designations that they can lead to, are outlined on the next page.

EXAMINATION FRAMEWORK AND RELATED SOFA CATEGORIES

<i>Examination scheme requirements</i>	<i>SOFA requirements</i>
<p>SOFA FELLOWSHIP 10 papers: the core AFPC (3 papers) plus 7 further papers at AFPC level or above. At least 3 of the 10 papers must be by examination from papers with a G or H prefix (maximum of 7 exemptions allowed). One of these must be either H15 Supervision and sales management or H25 Holistic financial planning,</p>	<p>Fellowship</p> <p>Designatory letters: FSFA</p> <p>Requirements: Successful completion of the Fellowship examination requirements. 5 years' relevant experience. Recorded CPD for 3 years. Subject to code of conduct and ongoing CPD.</p>
<p>SOFA ASSOCIATESHIP 6 papers: the core AFPC (3 papers) plus 3 further papers at AFPC level or above. At least 2 of the 6 papers must be by examination from papers with a G or H prefix (maximum of 4 exemptions allowed).</p>	<p>Associateship</p> <p>Designatory letters: ASFA</p> <p>Requirements: Successful completion of the Associateship examination requirements. 3 years' relevant experience. Recorded CPD for 1 year. Subject to code of conduct and ongoing CPD.</p>
<p>ADVANCED FINANCIAL PLANNING CERTIFICATE (AFPC)® Must hold FPC or equivalent benchmark qualification.</p> <p>3 papers. At least 1 of the 3 papers must be by examination (maximum of 2 exemptions allowed).</p> <p>1. Compulsory paper (unless exempted) G10 Taxation and trusts</p> <p>2. Planning paper <i>either</i> G20 Personal investment planning <i>or</i> G30 Business financial planning</p> <p>3. Technical paper <i>one from</i> G20 Personal investment planning* G30 Business financial planning* G60 Pensions G70 Investment portfolio management G80 Long-term care, life and health protection * if not already taken as the planning paper</p>	<p>Professional membership</p> <p>Designatory letters: MSFA</p> <p>Requirements: Successful completion of the AFPC examinations. 2 years' relevant experience. Subject to code of conduct and agreement to undertake CPD.</p>
<p>FINANCIAL PLANNING CERTIFICATE (FPC)®</p> <p>FP1 Financial services and their regulation FP2 Protection, savings and investment products FP3 Identifying and satisfying client needs</p>	<p>Registered member</p> <p>Designatory letters: FPC.</p> <p>Requirements: Successful completion of the FPC examinations. Subject to code of conduct and agreement to undertake CPD.</p>

All registered members, professional members, Associates and Fellows join the SOFA register and may use the description 'Registered with the Society of Financial Advisers' on corporate stationery.

Detailed information on all examinations, except the FPC, appears on the following pages. A separate handbook is available for the FPC.

SOFA MEMBERSHIP CATEGORIES

The membership structure within SOFA has been designed to provide a designation at each stage of qualification, whether at benchmark level through the FPC or at a professional level through the AFPC. Whatever your level of qualification a range of attractive benefits is offered to help you develop your professional career as a financial adviser.

PROFESSIONAL MEMBERSHIP

Once you have passed the requisite number of subjects from the AFPC (or claimed relevant exemptions) you may apply for Membership, Associateship or Fellowship of SOFA. A personalised application form will be sent to you for you to complete. If you think you are eligible for professional membership in any of these areas please ask for a form.

As a full member of SOFA you can take advantage of the benefits and services offered to members of SOFA. These include:

- professional recognition—expressed through the progressive designatory letters MSFA, ASFA and FSFA for Members, Associates and Fellows respectively;
- an annually renewable registration card and use of the description ‘Registered with the Society of Financial Advisers’ on your corporate stationery;
- combined membership of the Chartered Insurance Institute (CII), giving access to its network of local institutes, library and other benefits;
- inclusion on the SOFA register with the potential to earn business through your AFPC-level professional membership;
- a regional structure dedicated to the needs of financial services professionals—good for networking and continuing professional development.
- *Technical Adviser*—SOFA’s quarterly technical newsletter;
- generous discounts to attend SOFA-organised events such as the ‘Update for Financial Advisers’

conference and the highly rated ‘Access to Excellence’ programme of CPD seminars;

- ‘Clients’ guides’ and other marketing materials to help you promote your ethical commitment and professionalism to your clients;
- reduced rates for AFPC examination entry and for some study materials.

If you hold the AFPC and are not yet a member, or think you have sufficient examination passes (actual AFPC passes and exemptions) and meet the other criteria for Associateship or Fellowship of SOFA (as detailed on page 2), please ask for a personalised application form. You can apply for any exemptions (see page 7) for which you are eligible using the form on page 13.

REGISTERED MEMBERSHIP

As a holder of the FPC, or any other recognised benchmark qualification, you may become a registered member of SOFA. In addition to being allowed to use the designation FPC after your name on your corporate stationery you may also use the description ‘Registered with the Society of Financial Advisers’. If the benchmark qualification you hold is not the Financial Planning Certificate, you may not use the trademarked FPC designation. You may take advantage of most of the benefits outlined above although of course you cannot use the professional designations MSFA, ASFA and FSFA until you have passed the higher level AFPC and upgraded your membership.

There is an application form to become a registered member of SOFA on page 57.

AFFILIATED SUBSCRIBERS

If you do not hold a financial planning qualification but would like to take advantage of the educational and information-orientated activities of SOFA you may join as an affiliated subscriber. There is an application form at the back of this handbook. You are, however, encouraged to complete the FPC.

ADVANCED FINANCIAL PLANNING CERTIFICATE

A^{IM}

The principal aim of the AFPC is to offer a qualification which demonstrates that the holder is capable of advising clients whose overall levels of income and capital require a more sophisticated scheme of investment than is normally prepared by an FPC-level adviser. These clients require a critical appraisal of the various financial planning options available to them.

The CII provides examinations for the AFPC in April and October at centres throughout the UK, Channel Islands and the Isle of Man.

STRUCTURE OF THE CORE AFPC

The core AFPC consists of three papers. You may gain exemption from a maximum of two papers. At least one of the three papers must be passed by examination.

To complete the core AFPC, you must pass or be exempted from three papers

- 1. Compulsory paper** (unless exempted)
G10 Taxation and trusts
- 2. Planning paper**
either G20 Personal investment planning
or G30 Business financial planning
- 3. Technical paper**
one from
G20 Personal investment planning*
G30 Business financial planning*
G60 Pensions
G70 Investment portfolio management
G80 Long-term care, life and health protection

* if not already taken as the planning paper

Syllabuses for all these papers are printed on pages 21–50.

You should note that the examinations are based on the syllabuses contained in this handbook and not on any specific course materials.

The amount of time you need for study depends on your existing knowledge and your ability to study the subjects. However, as a guide you should allow at least 120 hours' study for each subject.

You are recommended to take the compulsory paper Taxation and trusts (G10) before tackling the other papers, as its syllabus contains subject matter which is built on in the other papers.

If you are taking the Investment portfolio management paper (G70), you are advised to study for G20 Personal investment planning beforehand, since the G70 paper builds on knowledge gained by studying for the G20 paper.

The Pensions paper (G60) is available on a stand-alone basis for candidates wishing to demonstrate specialist knowledge and skills in pensions and pension transfers.

Each paper is of three hours' duration and carries 200 marks in three sections.

Section A—45 marks: compulsory short-answer questions to test knowledge across the syllabus.

Section B—75 marks: compulsory case study requiring the display of analytical and application skills.

Section C—80 marks: a choice of two out of three structured questions requiring discursive answers.

Tax tables will be printed in the examination paper.

The pass mark for AFPC papers is based on 55 per cent. This figure may vary slightly for each paper from one session to another to ensure that the level of difficulty of each paper is comparable with that of its predecessors. All candidates who reach the required standard will pass. For further details of marking and results, see page 20.

The best way to appreciate the standard required is to study the examination guides and examiners' reports. For full details, see page 16.

ENTRY STANDARDS

Entry requirements are given on page 6.

REQUIREMENTS FOR SOFA MEMBERSHIP

Completion of the core AFPC enables you to apply for professional membership of SOFA and the use of the MSFA designation. You will need to pay the appropriate fees, demonstrate two years' relevant experience and agree to be subject to the SOFA code of conduct and undertake a programme of CPD. You will be sent a membership application form when you complete the core AFPC.

SOFA QUALIFICATIONS

STRUCTURE OF THE SOFA QUALIFICATIONS

Examination requirements for Associateship and Fellowship of SOFA (ASFA and FSFA) are given on page 2.

You may use G or H prefix papers to satisfy the examination requirements for ASFA and FSFA. You can also use certain ACII papers.

The H prefix papers only count towards ASFA and FSFA, not towards the core AFPC.

The Supervision and sales management paper (H15) is available on a stand-alone basis for candidates wishing to demonstrate specialist supervisory knowledge and skills in the regulatory environment.

If you are taking the Investment portfolio management paper (G70), you are advised to study for G20 Personal investment planning beforehand, since the G70 paper builds on knowledge gained by studying for the G20 paper.

You are also advised to complete the core AFPC before studying for the Holistic financial planning paper (H25).

The examination paper for H15 Supervision and sales management is similar in format to the core AFPC papers, except that no tax tables are printed.

The examination paper for H25 Holistic financial planning consists of a single case study based on pre-released material. See page 50 for more details.

SYLLABUSES

Syllabuses for all these papers are printed on pages 21–50.

ENTRY STANDARDS

Entry conditions are the same as those for the AFPC (see page 6).

REQUIREMENTS FOR SOFA ASSOCIATESHIP

Completion of the Associateship examination requirements enables you to apply for Associateship of SOFA and the use of the ASFA designation. You will need to pay the appropriate fees, demonstrate three years' relevant experience, have recorded CPD for one year, and agree to be subject to the SOFA code of conduct and ongoing CPD.

REQUIREMENTS FOR SOFA FELLOWSHIP

Completion of the Fellowship examination requirements enables you to apply for Fellowship of SOFA and the use of the FSFA designation. You will need to pay the appropriate fees, demonstrate five years' relevant experience, have recorded CPD for three years and agree to be subject to the SOFA code of conduct and ongoing CPD.

ENTRY STANDARDS AND TRANSITIONAL ARRANGEMENTS

ENTRY STANDARDS

Before you can enter for any paper with a G or H prefix (with the exception of the stand-alone papers G60 Pensions and H15 Supervision and sales management) you must either have completed the Financial Planning Certificate (FPC) or hold one of the qualifications accepted by regulation as its equivalent, eg:

- Investment Advice Certificate
- Investment Management Certificate
- Certificate for Financial Advisers
- a qualification approved by the Personal Investment Authority as being equivalent to the FPC (this includes ACII/FCII, life and pensions route only, and certain financial services degrees).

There is no charge for registering eligibility for direct entry through the above qualifications, but if you wish to obtain the FPC itself, you will have to pass the FPC examinations in the normal way.

TRANSITIONAL ARRANGEMENTS

Candidates who have passed AFPC papers (or who have been granted exemptions) under the pre-October 1995 syllabuses will be granted credits in the current scheme as follows.

If you have passed (or have been exempted from) any of the old syllabus AFPC papers F10, F20 or F30, you will be credited with the corresponding current syllabus AFPC paper G10, G20 or G30 respectively.

If you have passed (or have been exempted from) either AFPC paper F40 or F50, you will be granted one non-specific credit towards the current AFPC. If you have passed (or have been exempted from) both AFPC papers F40 and F50, you will still be granted only one non-specific credit towards the current AFPC. These arrangements are shown in the table below.

Special arrangements apply to LIA members wishing to complete their FLIA (dip) by taking papers additional to those required to complete the AFPC. Details are available from the LIA.

Credits awarded for AFPC passes (or exemptions) under the old syllabuses

<i>Old syllabus paper</i>	<i>Current syllabus credit</i>
F10	G10
F20	G20
F30	G30
Either F40 or F50 (or both)	One non-specific credit

EXAMINATION REQUIREMENTS AND EXEMPTIONS

	<i>Advanced qualification</i>	<i>Relevant papers available</i>	<i>Compulsory papers (unless exempted)</i>	<i>Minimum papers by examination</i>	<i>Exemption rules applicable</i>
10	FSFA (10 papers)	G or H papers and up to five of the following ACII papers: 555, 560, 565, 570, 575, 580, 935, 945	H15 or H25	Three G or H papers from ten; must include H15 or H25	ASFA/FSFA rules apply
9					
8					
7					
6	ASFA (6 papers)		No compulsory papers additional to those in the core AFPC	Two G or H papers from six	
5					
4					
3	Core AFPC (3 papers)	G papers only	One other G paper G20 or G30 G10	One G paper from three	Core AFPC rules apply
2					
1					

The advanced financial planning qualifications are core AFPC, ASFA and FSFA. If you hold the FPC or equivalent you can complete the examination requirements for advanced qualifications by gaining sufficient papers by examination and/or exemption.

Only certain categories of papers count towards one or more of the advanced qualifications. The table shows the rules under which these papers can be used to complete the examination requirements for the advanced qualifications. For MSFA, ASFA and FSFA there are also experience and CPD requirements which must be satisfied before the qualification can be awarded.

General rules on exemptions are given first. Then the examination requirements and exemption rules applicable to the core AFPC are dealt with, followed by the separate rules applying to ASFA/FSFA.

GENERAL RULES ON EXEMPTIONS APPLYING TO BOTH CORE AFPC AND ASFA/FSFA

An underlying principle is that an exemption will only be given for qualifications of recognised professional and academic bodies obtained by examination.

A qualification will be judged on the following criteria:

- it must have content which is relevant to financial planning, having regard to the content of the papers for which exemption is being sought;
- it must have been awarded on the basis of examinations of an appropriate level and format.

If you hold a qualification which meets the above criteria, you may be eligible for an exemption. Exemptions are not added automatically to your record: you must claim them using the form on page 13. **Please apply as soon as possible.** The exemptions for which you may be eligible are those available at the time of application. Although the exemptions listed in this handbook are correct at the time of its production, the CII reserves the right to alter exemptions without notice.

When you apply for exemptions, you should enclose documentary evidence of non-CII qualifications, which should be either the original certificate or a photocopy which a person other than yourself who is ACII, FCII, MSFA, ASFA or FSFA has attested to be an exact copy of the original and has signed the photocopy to that effect. The CII reserves the right to ask for further evidence concerning a qualification, such as syllabuses and examination papers. It is your responsibility to provide evidence which is satisfactory to the CII.

An exemption will not be granted for a subject which the applicant has already failed by examination. A qualification will usually be regarded as complete if all its examination requirements have been met. Applications for exemptions based on part-completed qualifications will be dealt with on an individual basis, having regard to whether any papers specified as essential for the exemption have been passed and whether these passes were within the last three years. The decision of the CII Examiners Committee is in all cases final.

EXAMINATION REQUIREMENTS

To qualify by examination for the core AFPC you must pass or be exempted from **three** papers in accordance with the rules on page 7 of this handbook.

The only papers you can use for the core AFPC are G prefix papers (and F prefix papers under the transitional arrangements).

H prefix papers cannot be used for the core AFPC.

ACII/FCII papers (whether from pre-1992 schemes or the current scheme) cannot be used for the core AFPC.

You must pass at least **one** of the three papers **by examination**: a maximum of **two** exemptions is allowed.

EXEMPTIONS

All exemptions are subject to the rules for core AFPC examination requirements and the general rules on exemptions stated in this handbook.

A fee of £40 is payable to register each paper exempted, except that there is no fee to register an exemption based on a CII or LIA qualification.

There are **NO** exemptions from core AFPC (G prefix) papers based on ACII/FCII papers. However, under the transitional arrangements, if you hold existing exemptions from F prefix papers based on ACII/FCII, you can count these towards the core AFPC.

Although holders of ACII/FCII papers are not eligible for exemption from papers towards the core AFPC, they may be eligible for non-specific exemptions towards ASFA/FSFA as described in the ASFA/FSFA section.

The following exemptions are currently available.

CII QUALIFICATIONS

<p>CERTIFICATE OF INSURANCE PRACTICE (CIP) <i>with passes in</i> P15 An introduction to private medical insurance <i>and</i> P75 Transacting private medical insurance business</p>	<p>One non-specific credit which counts as the technical (third) paper of the core AFPC</p>
--	---

LIA QUALIFICATIONS

<p>LIA FELLOWSHIP BY DIPLOMA FLIA(dip), <i>based on non-CII examinations</i></p>	<p>G10 Taxation and trusts</p>
---	--------------------------------

PROFESSIONAL BODIES

<p>ACCOUNTANT, CHARTERED OR CERTIFIED</p>	<p>G10 Taxation and trusts</p>
<p>ACTUARY</p>	<p>G10 Taxation and trusts</p>
<p>BANKER, ACIB OR FCIB <i>with passes in</i> Administration of trusts <i>and</i> Taxation, <i>or holder of</i> Trustee Diploma.</p>	<p>G10 Taxation and trusts</p>
<p>BARRISTER <i>with passes in</i> Equity and trusts <i>and</i> Revenue law</p>	<p>G10 Taxation and trusts</p>
<p>COLLEGE FOR FINANCIAL PLANNING Module IV Module II <i>or</i> Module VI</p>	<p>G10 Taxation and trusts G20 Personal investment planning</p>

SECURITIES INSTITUTE, DIPLOMA <i>including Private client advice and management paper</i> <i>Note. If you do not hold the Diploma but have passed the Private client advice and management paper within the last three years you are also eligible for this exemption</i>	G20 Personal investment planning
SOLICITOR	G10 Taxation and trusts
TAXATION, ATII OR FTII Associates or Fellows of the Chartered Institute of Taxation <i>Note. Members of the Association of Taxation Technicians (ATT) are not eligible for exemptions</i>	G10 Taxation and trusts and G30 Business financial planning

HIGHER EDUCATION

LLB (Hons) <i>to include papers in Taxation (revenue law) and Trusts (law of property)</i>	G10 Taxation and trusts
CERTIFICATE IN CORPORATE BUSINESS DEVELOPMENT (Nottingham University / Norwich Union)	G30 Business financial planning
BA (Hons) FINANCIAL SERVICES (University of Central England) <i>to include Personal portfolio planning unit</i>	G70 Investment portfolio management

A SFA / FSFA

EXAMINATION REQUIREMENTS

ASFA

To satisfy the examination requirements for ASFA, you must meet **all three** of the following criteria

- You must have completed the **core AFPC** (three papers).
- You must hold **six papers** (including the three core AFPC papers).
- You must have passed at least **two** F, G or H prefix papers **by examination**.

You can use G or H prefix papers (and F prefix papers under the transitional arrangements) to qualify for ASFA. You can also use ACII papers from the following list

555	Life and disability underwriting
560	Life assurance practice and administration
565	Life assurance law and taxation
570	Financial aspects of long-term business
575	Pension law and taxation
580	Pension planning and administration
935	Principles and practice of management in insurance
945	Marketing (not if F50 held)

FSFA

To satisfy the examination requirements for FSFA, you must meet **all four** of the following criteria

- You must have completed the **core AFPC** (three papers).
- You must hold **ten papers** (including the three core AFPC papers).
- You must have passed at least **three** F, G or H prefix papers **by examination**.
- You must have passed either H15 or H25 by examination.

You can use the same types of papers to qualify for FSFA as for ASFA. The maximum number of papers allowed towards FSFA based on all ACII/FCII papers held is **five**.

EXEMPTIONS

All exemptions are subject to the rules for ASFA/FSFA examination requirements and the general rules on exemptions stated in this handbook.

A fee of £40 for members of SOFA/CII and £45 for non-members is payable to register each paper exempted, except that there is no fee to register an exemption based on a CII qualification.

Most of these exemptions do NOT count towards completion of the core AFPC but see table below. The following exemptions are currently available.

CII QUALIFICATIONS

ASSOCIATESHIP AND FELLOWSHIP OF THE CII (ACII/FCII)

Note. The maximum papers allowed towards FSFA based on all ACII/FCII papers held is FIVE.

<p>1992 (CURRENT) SCHEME Subject to the ASFA/FSFA rules, holders by examination or exemption of the ACII papers highlighted above may use them towards ASFA/FSFA.</p>	maximum 5 papers
<p>1982-91 SCHEME ACII completed through Life or Pensions route <i>Note. Completion through FCII Life or Pensions route is equally acceptable</i></p> <p>ACII completed through General route</p> <p>FCII including two Management subjects</p>	<p>4 exemptions</p> <p>3 exemptions</p> <p>1 exemption</p>
<p>1973-81 SCHEME ACII completed through Life branch</p> <p>FCII including three Management subjects</p>	<p>4 exemptions</p> <p>1 exemption</p>
<p>1964-72 SCHEME ACII completed through Life branch</p> <p>FCII</p>	<p>4 exemptions</p> <p>1 exemption</p>
<p>PRE-1964 SCHEME ACII completed Life branch, parts I, II and III</p> <p>FCII</p>	<p>4 exemptions</p> <p>1 exemption</p>

The above table only applies to those completing their ACII/FCII over one scheme. Holders of ACII/FCII which were completed over two or more schemes will be dealt with on an individual basis, for example ACII started under the 1982-91 scheme and completed under the current scheme.

<p>CERTIFICATE OF INSURANCE PRACTICE (CIP) P15 An introduction to private medical insurance <i>and</i> P75 Transacting private medical insurance business</p> <p>P12 An introduction to long-term business <i>and</i> P45 Life assurance (or P50 Pensions)</p>	<p>1 exemption <i>This exemption may be used towards the core AFPC</i></p> <p>1 exemption</p>
<p>LIFE ASSURANCE SALESMEN'S CERTIFICATE (LASC) Pre-1982 scheme 1982-91 scheme</p>	<p>Maximum 3 exemptions Maximum 2 exemptions</p>

LIA QUALIFICATIONS

<p>FLIA(dip) <i>based on non-CII examinations</i></p> <p>ALIA(dip) <i>based on non-CII examinations</i></p>	<p>2 exemptions. <i>One may be used towards the core AFPC</i></p> <p>1 exemption</p>
---	--

PROFESSIONAL BODIES

ACCOUNTANTS

Chartered or Certified Accountants

3 exemptions. *One may be used towards the core AFPC*

ACTUARIES

Associates or Fellows of the Institute or Faculty of Actuaries

4 exemptions. *One may be used towards the core AFPC*

BANKERS

Associates of the Chartered Institute of Bankers or
Associates of the Chartered Institute of Bankers in Scotland

2 exemptions. *If appropriate papers passed, one may be used towards the core AFPC*

BARRISTERS

2 exemptions. *If appropriate papers passed, one may be used towards the core AFPC*

COST AND EXECUTIVE ACCOUNTANTS

Associates or Fellows of the Institute of Cost and Executive Accountants

2 exemptions

INSTITUTE OF FINANCIAL PLANNING (IFP)

Fellowship (*not Associateship*)

1 exemption

INSTITUTE OF INVESTMENT MANAGEMENT AND RESEARCH (IIMR)

Associate

Note: holders of Investment Management Certificate (IMC) only are not eligible for exemptions

2 exemptions

MANAGEMENT ACCOUNTANTS

Associate or Fellow of the Chartered Institute of Management Accountants

3 exemptions

PENSIONS MANAGEMENT INSTITUTE (PMI)

Associates or Fellows of the Pensions Management Institute (APMI or FPPI) under current scheme (9 papers) or previous scheme (8 papers)

maximum 4 exemptions

SECRETARIES AND ADMINISTRATORS

Associate of the Institute of Chartered Secretaries and Administrators

2 exemptions

SECURITIES INSTITUTE

Diploma (*must include Private client investment advice and management paper*)

Private client investment advice and management paper

3 exemptions. *One may be used towards the core AFPC*

1 exemption *which may be used towards the core AFPC*

SOLICITORS

2 exemptions. *One may be used towards the core AFPC*

TAXATION

Associates or Fellows of the Chartered Institute of Taxation (ATII or FTII)

3 exemptions. *Two may be used towards the core AFPC*

HIGHER EDUCATION QUALIFICATIONS

BTEC/SCOTVEC HIGHER NATIONAL DIPLOMA/ CERTIFICATE IN BUSINESS STUDIES/ CERTIFICATE IN MANAGEMENT STUDIES	maximum 1 exemption depending on content
LAW DEGREE <i>(If law degree held by barrister or solicitor, total exemptions are 2, not 3)</i>	maximum 1 exemption depending on content. <i>If appropriate papers passed, this may be used towards the core AFPC</i>
DEGREE IN FINANCIAL SERVICES	maximum 2 exemptions depending on content
OTHER RELEVANT DEGREE	maximum 1 exemption depending on content
VQ LEVEL 5 IN MANAGEMENT	H15 Supervision and sales management <i>provided that VQ has relevant regulatory content and one non-specific exemption</i>
MBA	maximum 2 exemptions depending on content

ACII CREDITS AVAILABLE TO HOLDERS OF AFPC PAPERS

ONLY F PREFIX PAPERS PASSED	ACII CREDITS
F10 and two from F20, F30, F40	550 plus one non-specific menu credit
F10, either F20 or F30, and F50	550 and 945
F AND G PREFIX PAPERS PASSED	ACII CREDITS
Three passed excluding F50	550 plus two non-specific menu credits
Three passed including F50	550 and 945 plus one non-specific menu credit
Four passes (at least two G papers) excluding F50	550 plus three non-specific menu credits
Four passes (at least two G papers) including F50	550 and 945 plus two non-specific menu credits
ONLY G PREFIX PAPERS PASSED	ACII CREDITS
Core AFPC (three papers passed)	550 plus two non-specific menu credits
G papers passed in addition to the three core AFPC papers	An additional non-specific menu credit for each additional G paper passed (maximum three additional credits)
G60 on a stand-alone basis	One non-specific menu credit

Notes:

- 1 The maximum overall ACII credits available on the combined basis of F and G prefix papers passed is six.
- 2 H prefix papers do not provide ACII credits.

APPLICATION FOR EXEMPTIONS

NOTES

- 1 The basis of exemptions is set out on pages 7–12.
- 2 If not previously submitted, please enclose documentary evidence of your non-CII qualifications. See page 7.
- 3 If your qualifications give you eligibility for exemptions, you will be notified and we will request any fee payable.
- 4 You do not need to wait for notification of your exemptions before applying for course materials or examination entry, but you should avoid applying for any subjects from which you may be exempt.
- 5 Make sure that you have signed and dated the declaration overleaf.
- 6 After completion, please send this form to:

**The Chartered Insurance Institute
Administration Office
31 Hillcrest Road
South Woodford
London E18 2JP**

APPLICATION FOR EXEMPTIONS—AFPC, ASFA/FSFA

SURNAME

FORENAMES IN FULL

DATE OF BIRTH MR/MRS/MISS/MS

JOB TITLE

ADDRESS

POSTCODE DAY-TIME TEL.

PIN NUMBER

CII qualifications held

	Completed (tick)	Date	Part completed (tick)
Core AFPC	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>
ACII	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>
FCII	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>
LASC	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>
CIP	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>

Non-CII qualifications held

Qualification and awarding body (indicate if not completed)	Date of award	Units/papers comprising the qualification (indicate whether each unit/paper was by examination or exemption)	Documentary evidence (Tick one column)	
			Submitted with this form	Already submitted
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

I apply for exemptions from core AFPC ASFA FSFA (please tick) papers on the basis of my qualifications and in accordance with the regulations in this handbook. If not already submitted, I enclose documentary evidence of any non-CII qualifications.

Signed _____ Date _____

CONTINUOUS ASSESSMENT

INTRODUCING CONTINUOUS ASSESSMENT TO THE AFPC

Continuous assessment is a scheme to encourage you to undertake systematic study over a period of time. Under this scheme you send in to a tutor assignments based on your study of a subject, including a final examination-standard assignment. If these assignments reach the required standard and in the final examination your score is in the X (narrow fail) band, you will receive a fixed adjustment to your score, which will be sufficient to change your narrow fail into a pass.

Continuous assessment is being introduced in 1998 on a pilot basis for AFPC subjects as shown below. If this is successful, the system will be extended in 1999.

	April 1998 sitting	October 1998 sitting
G10	not available	✓
G60	✓	✓

Past results have indicated significantly higher success rates for ACII candidates who completed continuous assessment: they benefited from the fixed adjustment to their score if they were in the narrow-fail band, but often the extra preparation gained from continuous assessment helped them to achieve a clear pass.

HOW TO APPLY FOR CONTINUOUS ASSESSMENT

You must either purchase the CII course on the continuous assessment basis or upgrade to that basis.

If you purchased the course on a correspondence but not a continuous assessment basis, you can write in to upgrade to continuous assessment. There may be an additional charge: please refer to the Study Options brochure. You must not start sending in assignments for marking until you have been upgraded, otherwise they cannot be counted for continuous assessment purposes.

If you have purchased just the coursebook (with or without updating service), you can upgrade to continuous assessment on payment of a fee.

Please see page ii for the last dates to apply for continuous assessment towards the April or October examinations.

Once you have started continuous assessment towards a particular examination sitting, you must submit your assignments before the closing date for receipt of assignments for that sitting. If you decide to defer your examination entry to the next sitting and do so before the

closing date at normal fees for the original sitting, you may complete any outstanding assignments by the closing date for receipt of assignments for that next sitting or by the date on which your course expires, whichever is sooner, and still qualify for the continuous assessment adjustment. The same applies if you have to defer an examination owing to illness and can produce medical evidence.

You are not allowed to apply for continuous assessment a second time in the same subject.

SUBMITTING ASSIGNMENTS

You must submit at least eight assignments: seven of those in the separate work book and the compulsory final examination-standard assignment. The compulsory final examination-standard assignment will be sent to you when you apply for continuous assessment, **but you should complete it as your last assignment.** All eight assignments must be received by your tutor before the closing date for receipt of assignments. Assignments received after that closing date will be marked but will not count towards continuous assessment. The closing dates are given on page ii. Each assignment will be marked and graded and returned to you with your tutor's comments.

To be eligible for the continuous assessment adjustment, you must achieve grade B or above in the compulsory final examination-standard assignment; this grade, together with your five best grades from the work book assignments, must also result in at least an average grading of B.

Assignments will be graded on the following scale:

- A 75% and over
- B 60-74%
- C 55-59%
- D 54% and below

CARRYING FORWARD A CONTINUOUS ASSESSMENT ADDITION

If you have met the necessary prerequisites for a continuous assessment adjustment but your final examination score is outside the narrow-fail band, the adjustment will automatically be re-used at the next examination session only. This does not apply to candidates who are absent from an examination, except for those absent because of illness, in which case medical evidence is required within two months of the examination.

EXAMINATION GUIDES AND EXAMINERS' REPORTS

You are strongly advised to obtain and study carefully the examination guides and the examiners' reports, so as to maximise your chances of success.

EXAMINERS' **R**EPORTS

Examiners' reports on all the papers are produced after each examination session. Each report contains a copy of the examination paper, model answers and the examiners' report on how candidates performed.

Every candidate automatically receives, for each paper they enter, a free copy of the examiners' report on the corresponding paper in the previous session.

Further examiners' reports, price £5 each, can be obtained by using the form in the separate AFPC study options brochure (see page i).

EXAMINATION **G**UIDES

Separate guides are produced for each of the examination papers. Each guide contains helpful hints on how to pass the examination and a complete specimen paper with model answers.

You can order examination guides, price £5 each, using the form in the separate AFPC study options brochure (see page i).

EXAMINATION ENTRY PROCEDURES

EXAMINATION TIMETABLE

Examinations are held in April and October as shown in the table below.

ENTRY FORM

You can enter for AFPC/ASFA/FSFA examinations using the form in this handbook. You can only use the form to enter for examinations being held in 1998. At the bottom of the entry form is a signed undertaking that you have read this handbook and agree to abide by the regulations. It is therefore in your interests to familiarise yourself with all the information contained in this handbook.

Note. A faxed entry form is only acceptable if you are paying by credit card.

EXAMINATION CLOSING DATES

Please see the table below for examination entry closing dates at normal fees. There is an option to enter up to two weeks before the examination session, subject to space being available, on payment of an additional fee of £50 per paper.

Please note that if you make a late examination entry for H25 Holistic financial planning, ie, if your entry is received after the closing date for acceptance of entries at normal fees, the CII cannot guarantee that you will receive the pre-released examination material two weeks before the examination (see page 50 for further details).

Entries cannot be accepted under any circumstances within two weeks of the date of the first examination in the session in which you wish to sit.

Closing dates and examination dates and times for the 1998 sessions

APRIL 1998 SESSION: entry closing date at normal fees, 19 February 1998		
<i>Paper</i>	<i>Examination date and time</i>	
G10 Taxation and trusts	Tuesday, 21 April 1998	10 am
G20 Personal investment planning	Tuesday, 21 April 1998	2.30 pm
G30 Business financial planning	Wednesday, 22 April 1998	10 am
G60 Pensions	Wednesday, 22 April 1998	2.30 pm
G70 Investment portfolio management	Thursday, 23 April 1998	10 am
G80 Long-term care, life and health protection	Thursday, 23 April 1998	2.30 pm
H15 Supervision and sales management	Friday, 24 April 1998	10 am
H25 Holistic financial planning	Friday, 24 April 1998	2.30 pm
OCTOBER 1998 SESSION: entry closing date at normal fees, 20 August 1998		
<i>Paper</i>	<i>Examination date and time</i>	
G10 Taxation and trusts	Tuesday, 20 October 1998	10 am
G20 Personal investment planning	Tuesday, 20 October 1998	2.30 pm
G30 Business financial planning	Wednesday, 21 October 1998	10 am
G60 Pensions	Wednesday, 21 October 1998	2.30 pm
G70 Investment portfolio management	Thursday, 22 October 1998	10 am
G80 Long-term care, life and health protection	Thursday, 22 October 1998	2.30 pm
H15 Supervision and sales management	Friday, 23 October 1998	10 am
H25 Holistic financial planning	Friday, 23 October 1998	2.30 pm

EXAMINATION CENTRES

Examination centres are listed on page 54. Please state on your entry form the centre where you wish to take the examination. It is vital that you give a second choice as some centres may not have space for all the candidates who apply. Places are allocated on a first-come first-served basis. Some centres may not be available in October.

EXAMINATION ENTRY FEES

£60 for each paper (members of SOFA/CII).
£80 for each paper (non-members).

If a late entry fee is payable (see examination closing dates), this is in addition to the examination entry fee.

ACKNOWLEDGEMENT OF ENTRY

When the CII receives your entry form you will be sent an acknowledgement. This will give your permanent identity number (PIN) which you should use in all subsequent correspondence with the CII. If you already have a CII PIN you should quote it with your initial inquiry or application.

ADMISSION PERMIT

About 14 days before the examination you will be sent an admission permit and instructions giving the exact location of the examination centre. If you have not received your permit ten days before the examination, contact the administration office, giving your PIN and the centre where you are sitting.

CHANGES AND WITHDRAWALS

The closing date referred to in this section is the closing date for accepting entries at the normal rate.

BEFORE THE CLOSING DATE

If you withdraw completely from the examination before the closing date, we will refund £30 per paper. If you wish to defer your entry from one session to another, or change examination centre or paper, your request, accompanied by an administration fee of £20, must be

received before the closing date. You may only defer your entry to the next session, ie, from April 1998 to October 1998 or from October 1998 to April 1999. If you apply for more than one change to your examination entry at the same time, a single fee of £20 will cover all the changes.

AFTER THE CLOSING DATE

No changes (apart from your address) can be made to your entry after the closing date for the examination you have entered. If you wish to withdraw at this stage you will not receive a refund except in cases of illness (see page 19).

DISABILITY DISCRIMINATION ACT

EXAMINATION POLICY

The Chartered Insurance Institute carries its equal opportunities policy through to cover all examinations it administers.

Provisions are made for candidates who are registered disabled, or certified as temporarily disabled or dyslexic, blind or partially sighted.

All other disabilities not mentioned above will be catered for on their individual merit and examined in a method approved by the Examiners Committee.

MEDICAL CONDITIONS

If you have a medical condition which you believe should be taken into consideration in assessing your examination performance, you should apply in writing, enclosing medical evidence, such as a doctor's letter. Applications without medical evidence will not be considered.

Your application should preferably accompany your examination entry, but in any case must be received by the CII within 14 days of the date of the last examination in the session to which it relates. The CII will not consider applications received after that time.

LIABILITY OF THE CII

In all circumstances the CII's liability is limited to a complete refund of the examination fee paid for the examination concerned.

THE EXAMINATION DAY

PROOF OF IDENTITY

You must produce proof of your identity to any CII official who requests it. This proof is in addition to your admission permit. The following documents are acceptable as identification:

- current passport;
- company identification card containing your photograph and signature;
- Northern Ireland only—full driving licence containing your photograph.

If you do not currently hold one of the above means of identification you will be expected to obtain one before the date of the examination.

You will be required to produce this identification to the examination co-ordinator before the examination commences. You should arrive at the examination centre 30 minutes before the examination is due to start in order for the checks to take place. If you do not comply with these requirements you will not be permitted to sit the examination and will not be entitled to a refund of the examination fee.

LEGISLATION

The examinations are based on the legislative position in the UK **three months** before the date of the examination. The April 1998 examinations will be based on the 1997–98 tax year and the October 1998 examinations will be based on the 1998–99 tax year.

TAX TABLES

You are not allowed to bring any tax guides or tax tables into the examination. Rates of tax, tax bands, allowances and exemptions for income tax, National Insurance, IHT and CGT are printed in all the examination papers except H15. No procedural or background information is provided, as you are expected to know this. The examiners' report on the previous session, which candidates receive before the examination, will include a copy of tax tables exactly as they will be printed in the examination paper.

CALCULATORS

There will be questions in the examinations which require calculations to be made. We recommend you bring a silent battery or solar-powered calculator to the

examination room. You may not use a calculator that can be programmed to retain text for later recall. You may use a financial or scientific calculator provided that it meets this requirement. Marks are usually awarded for showing all steps in your calculations, so you will need to demonstrate an understanding of basic financial mathematics, eg, compound interest. You may be asked for information on the model of the calculator you use.

MOBILE TELEPHONES

You may not enter the examination room with a mobile telephone unless it has first been switched off. It must remain switched off throughout the examination period.

EXAMINATION PAPERS

The answer book and the question paper must both be handed in personally by you to the invigilator before you leave the examination room. Failure to comply with this regulation will result in your answer book not being marked and you may be prevented from entering this examination in future. Copies of the question papers will be available free of charge from the administration office after the last examination in each session has been held.

ILLNESS

If you are absent from the examination because of illness, you may apply for your entry to be transferred to the next session, provided that your application, supported by medical evidence, is received by the CII within two months of the date of the examination. Alternatively, and on the same conditions, you may claim a refund of £30 per paper.

Examination entry fees will not be refunded or credited for any other reason.

DISCIPLINARY ACTION

Under bye-law 63 the Council of the CII may take disciplinary action against any candidate who may be found guilty of dishonourable or unprofessional conduct or of committing a breach of the examination regulations. Penalties may be imposed for falsification of documents or cheating during the examinations.

The CII reserves the right to notify the relevant regulatory body of any disciplinary action taken.

AFTER THE EXAMINATION

MARKING

Answer books are marked by examiners who have been selected for their relevant and up-to-date knowledge and experience, and have been specifically trained to mark papers in accordance with carefully laid down criteria.

All candidates who reach the required standard for the appropriate examination will pass. The CII does not operate a policy of setting a quota of candidates who will be passed.

RESULTS

Results will be sent out within 13 weeks of the examinations. Your results notification slip will indicate that you obtained either a distinction, a pass, failure by a narrow margin (within 10% of the pass standard), failure by a wider margin, failure by a considerable margin, or an ungraded result (less than 15% of the marks available).

Each examination paper (except H25) has three sections: A, B and C. If you fail your examination and scored fewer than 50% of the available marks in a section, this will be highlighted on your results notification slip. For example, if your result showed a Y grade with the letters 'B, C' after it, this means that you scored fewer than 50% of the available marks in section B, the case study, and section C, the structured questions. Paper H25 does not have sections and so this feedback is not available.

No further indication of your performance in the examinations other than that shown on your results notification is available, unless you have an X grade and apply for a re-mark.

If you failed by a narrow margin, ie, with grade X, you can apply for your script to be re-marked. A re-mark form is available from the administration office. The completed form and your fee of £50 must be received by the CII within six weeks of the despatch of the results.

The CII cannot advise candidates who receive an X grade on whether they should apply for a re-mark; if you do apply, it is most unlikely that your grade will be changed, but you will receive a report indicating areas of weakness in your performance.

The re-mark will take six to eight weeks to complete, so if you wish to enter for the next sitting, you are advised to enter without waiting for the result of a re-mark. If the re-mark results in your grade being changed to a pass, you will be refunded your £50 re-mark fee. If you had already entered to re-sit at the next available sitting we would also refund in full that entry fee.

GENERAL

Results will not be given over the telephone or faxed.

In no circumstances will any of your answer books be returned to you.

The decision of the Examiners Committee is in every case final.

The CII reserves the right to publish examination results, whether successes or failures. Pass lists are published only after results have been issued to candidates.

With your results slip you will receive forms to enter for further examinations, to change any entries you may already have made for future sittings, to apply for resits and to order new course books, as appropriate.

COMPLETION OF THE EXAMINATION REQUIREMENT

When you have qualified, you will be sent your Advanced Financial Planning Certificate.

If you pass G60 or H15 as stand-alone papers, you will receive a separate certificate.

PRIZE

The Worshipful Company of Insurers offers a prize to the most successful candidate completing the AFPC during the year. The award is only made when the standard of the best entry is sufficiently high to merit it.

G10 TAXATION AND TRUSTS

SYLLABUS

A^{IM}

The aim of this subject is to develop in the candidate, who has already reached the standard of the FPC, not only a knowledge of the UK tax system and the law and practice of trusts, but also an ability to advise individual clients on the tax treatment of their investments and the use of trusts to meet their current and foreseeable future needs.

relevant units of Papers 1, 2 and 3 of the FPC. It is also assumed that the candidate can use basic financial mathematics for tasks such as grossing up, projecting future values of current amounts and discounting future amounts into current values.

Candidates are recommended to take this paper before tackling other papers, as its syllabus contains subject matter which is built on in the other papers.

A^{SSUMED KNOWLEDGE AND APPLICATION SKILLS}

It is assumed that the candidate already has the knowledge and application skills gained from study of the

M^{ETHOD OF ASSESSMENT}

See page 4.

NOTES

1. The syllabus will be tested on the basis of English law and practice. Where Scots law and practice differ, this will be explained in the primary text.
2. The syllabus printed here will be examined in 1998. Changes may be made to the syllabus to be examined in 1999 and these will be highlighted in the 1999 examination handbook.

TAXATION

1. Personal taxes

- 1.1 Income tax, capital gains tax (CGT), inheritance tax (IHT): schedules, rates, allowances, indexation, exemptions, liability, collection

Candidates should know

- how people liable to income tax, CGT and IHT have to settle their liability;
- the due dates and how the taxes are collected.

They should know

- under which schedules the different types of income are taxed;
- what allowances are available and to whom they are available;
- what types of income are taxable and non-taxable.

They should know

- the types of capital gains which are exempt and non-exempt;
- basic principles of reinvestment relief;
- calculation of indexation.

They should know

- the exemptions for IHT, tapering relief, the level of the nil rate band and when it is applied;
- the difference between lifetime transfers and potentially exempt transfers.

- 1.2 Residence and domicile

Candidates should know

- the definition of residence, both UK and non-residency, and domicile.

They should know

- rules relating to these definitions and how these rules affect income tax, CGT and IHT.

- 1.3 National Insurance

Candidates should know

- the different classes of NI contributions and who is liable to pay each class.

They should understand

- calculation of the various NI contributions, and the difference between contracted-out and contracted-in NI contributions.

2. Tax planning aspects

- 2.1 Employment/self-employment: pensions, social security benefits

Candidates should be aware of

- the differences in taxation procedures for employed and self-employed people;
- how these differences affect the rights and entitlements to pensions, State benefits.

- 2.2 Share option schemes, profit sharing schemes

Candidates should know

- the definition of share option schemes, profit related pay and profit sharing schemes;
- the tax implication of these schemes, why they are implemented, the benefits and drawbacks of each scheme.

- 2.3 House purchase

Candidates should know

- advantages/disadvantages of different mortgages available: capital and interest, pension, endowment, PEP;
- full rules relating to MIRAS.

- 2.4 **Marriage**
Candidates should know
- the tax benefits in the year of marriage, tax advantages and disadvantages of independent taxation, taxation aspects in year of separation and divorce, tax planning for maintenance payments, pensions;
 - IHT aspects of divorce;
 - tax aspects of spouse in a business.

- 2.5 **Children**
Candidates should know
- the taxation treatment of children's investments, including gifts from parents, gifts from other than parents.

- 2.6 **Retirement**
Candidates should know
- the taxation aspects of investments for people in retirement/senior citizens;
 - details and calculation of additional age allowance.

3. **Investments**

3.1 **Tax planning uses of onshore investments**

Candidates should know

- the tax treatment of the following investments: bank accounts; building society accounts; corporate bonds; employee share ownership plans; employee share schemes; enterprise zone property; enterprise investment schemes; forestry/woodlands; friendly society plans; gilts; guaranteed growth/income bonds; holiday lettings; investment trusts; letting rooms; life assurance policies; local authority yearling bonds; membership of Lloyd's; National Savings; pensions; PEPs; permanent interest bearing shares; single premium bonds; shares; TESSAs; unit trusts; venture capital trusts.

3.2 **Tax planning uses of offshore investments**

Candidates should know

- the tax treatment of the following investments: investment funds investing in equities, foreign currency and foreign government stocks;
- tax implications for investor of 'roll-up' funds and insurance company bonds;
- the tax reasons for investing offshore.

4. **Inheritance tax**

4.1 **Tax planning aspects with particular regard to exemptions, reliefs, gifts**

Candidates should know

- the definition, suitability, advantages and disadvantages of potentially exempt transfers, gifts with reservation, business property relief, agricultural property relief.

They should be able to recognise

- when specific exemptions should be recommended.

4.2 **Wills**

Candidates should know

- the tax implications of the rules of succession/intestacy;
- the tax treatment of owning a property either as tenants in common or as joint tenants;
- the use of wills written on a discretionary basis, post-death deeds of variation and disclaimers.

5. **Calculation of tax liabilities**

5.1 **Liabilities of individuals to income tax, CGT and IHT; tax planning measures to reduce liability**

Candidates should be able to

- calculate a tax liability from data given; these data will not be in order and will take into account allowances, reliefs and exemptions.

Candidates should be able to

- prepare an income and expenditure statement from given information; as a result of the calculations, candidates should be able to demonstrate practical ways of reducing the liability.

TRUSTS

6. **The essentials of a trust**

6.1 **What a trust is; the use of trusts in financial planning**

Candidates should know

- the definition of a trust, relationship between trustees and beneficiaries: equitable interest;
- modern use of trusts including use of offshore trusts;
- the three certainties of a trust: Knight v. Knight.

7. **Statutory trusts**

7.1 **Married Women's Property Act 1882; other statutory trust legislation**

Candidates should know

- how trusts may be created: statutory trust; express trust; implied trust; constructive trust.

They should understand

- these trusts with respect to provisions for MWPA 1882;
- other Acts concerning statutory trusts: Law of Property Act 1925 and Administration of Estates Act 1925.

8. **Non-statutory trusts**

8.1 **Bare, flexible (discretionary) business protection, pensions, wills**

Candidates should know

- the advantages, disadvantages, suitability of life interest trusts, accumulation trusts, discretionary trusts, overseas trusts, wills, bare trusts.

9. **Trustees**

9.1 **Powers and duties**

Candidates should know

- in connection with trustees: appointment, discharge, duties, honesty, breach of trust, powers of delegation and investment.

10. **Trust assets**

10.1 **Investment; conversion; apportionment; distribution**

Candidates should know

- provisions for investment under Trustee Investment Act 1961;
- principle of apportionment between capital and income and the calculation of apportionment; principle of duty to convert.

11. Suitable trusts for different circumstances

11.1 Planning and tax saving aspects

Candidates should be able to recognise

- which type of trust is suitable from a given set of circumstances.

They should know

- the tax planning aspects of accumulation trusts, discretionary trusts, life interest trusts.

They should be able to

- select which is the most tax efficient trust in a case study scenario.

12. Tax implications of trusts

12.1 How trusts are taxed; tax implications for the settlor, the trustees and the beneficiaries, covering income tax, CGT and IHT

Candidates should know

- the tax aspects of income tax, IHT and CGT in respect of accumulation and maintenance trusts, discretionary trusts, life interest trusts and overseas trusts;
- how these aspects should be related to the settlor, the trustees and the beneficiary of each type of trust.

13. Tax calculations for trusts

13.1 Tax liability for different types of trust

From information given, candidates should be able to

- calculate the liability for income tax, CGT and IHT, for different types of trust.

14. Insurance policies under trust

14.1 When policies should be written under trust, with particular reference to IHT; MWPA and other trust wordings

Candidates should know

- the consequences, including those relating to IHT, of writing a life assurance policy under a discretionary trust (including flexible and power of appointment trusts), accumulation and maintenance trust, life interest trust.

15. Pensions

15.1 When pensions should be written under trust, with particular reference to occupational/personal pensions

Candidates should know

- why a pension is written under trust and how the trust is set up: formal deed, declaration, board resolution, employer trust.

They should know

- about flexible trusts for death benefits, and the IHT implications.

They should understand

- how existing pension policies may be put under trust: discretionary, interest in possession, and the implications of doing this.

16. Unit trusts

16.1 Establishment; authorised or unauthorised; offshore; taxation aspects for unit holders and trust managers

Candidates should know

- the mechanics of how onshore and offshore unit trusts are established with reference to the trust deed, trust objectives, winding-up procedure, income equalisation, issue and redemption of units, expenses, taxation of unit holders, taxation of funds, trustees' remuneration, trusts valuation.

G10 TAXATION AND TRUSTS

READING LIST

Note: The examination will test the syllabus provided in this handbook and the syllabus alone. The reading list is provided for guidance only and is not in itself the subject of the examination.

Only the CII publications can be obtained from the CII. For all other publications contact the publisher. It is possible that a book on the reading list may be out of print. Such books can usually be obtained through the public library service.

PRIMARY TEXT

G10. Taxation and trusts, CII/LIA/Taxbriefs. Latest edition.

OTHER TEXTS

The following publisher also produces materials designed to cover the AFPC syllabuses:

BPP Publishing

Aldine House, Aldine Place, 142–144 Uxbridge Rd, Shepherds Bush Green, London W12 8AW.

CASE STUDIES

G10 Taxation and trusts, CII/Taxbriefs.

REFERENCE WORKS AND ADDITIONAL READING

Allied Dunbar tax handbook, A. Foreman, Pitman. Latest edition

Essential law for the tax practitioner, The Chartered Institute of Taxation, 1995

Equity and trusts, A. Hudson, HLT Publications, 1995

J. Rothschild Assurance tax guide, W. Sinclair, Orion Books Ltd. Latest edition

Lamont's Glossary (money and investment dictionary), B. Lamont, Advanced Media Group plc. Latest edition

Law of trusts, P. McLoughlin & C. Rendell, Macmillan, 1992

The law of trusts, D. J. Hayton, Sweet & Maxwell, 1993

Lloyds Bank tax guide, S. Williams & J. Willman, Penguin. Latest edition

Modern equity, Hanbury & Martin, Sweet & Maxwell, 1993

The modern law of trusts, A. Oakley, Sweet & Maxwell, 1994

A step-by-step guide to wills and probate, A. Biggs & K. Donnelly, Callow Publishing, 1994

Tolley's tax guide, A. Homer & R. Burrows. Latest edition

Trusts law – text and materials, G. Moffatt, Butterworths, 1994

Wills, administration and taxation, J. Barlow, L. King & A. King, Sweet & Maxwell, 1994

EXAMINATION GUIDE AND EXAMINERS' REPORTS

You are strongly advised to study these before the examination. See page 16.

EXAM TECHNIQUE/STUDY SKILLS

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements. An example is: *How to pass exams without anxiety*, David Acres, How To Books, 1995

For a more interactive approach, you should consider *Winning the brain game* CD-Rom, CII/Neil Taylor, 1996, available from the CII.

PERIODICALS

Financial Adviser, weekly

Financial Planning Professional, Gee & Co., monthly

Financial Times, daily

The Journal, CII, bimonthly (sent to CII/SOFA members and available on subscription to non-members)

Money Management, monthly

Money Marketing, weekly

Pensions Management, monthly

Pensions World, monthly

Planned Savings, monthly

Prospect, LIA, monthly

Technical Adviser, SOFA, quarterly

Which?, Consumers' Association, monthly

G20 PERSONAL INVESTMENT PLANNING

SYLLABUS

AIM

The aim of this subject is to develop in the candidate, who has already reached the standard of the FPC, a fuller knowledge of investments and an ability to advise individual clients on the construction of investment portfolios to meet both their current and foreseeable future needs.

ASSUMED KNOWLEDGE AND APPLICATION SKILLS

It is assumed that the candidate already has the knowledge and application skills gained from study of the

relevant units of Papers 1, 2 and 3 of the FPC and from the AFPC paper, G10 Taxation and trusts. It is also assumed that the candidate can use basic financial mathematics for tasks such as grossing up, projecting future values of current amounts and discounting future amounts into current values.

METHOD OF ASSESSMENT

See page 4.

NOTES

1. The syllabus will be tested on the basis of English law and practice. Where Scots law and practice differ, this will be explained in the primary text.
2. The syllabus printed here will be examined in 1998. Changes may be made to the syllabus to be examined in 1999 and these will be highlighted in the 1999 examination handbook.

1. Fundamental principles of portfolio construction

1.1 The factors to consider when building a portfolio

Candidates should have a detailed knowledge of

- the rationale for diversification, the need for a balanced portfolio, the meaning of risk (absolute and relative), effects of inflation and of asset value deflation (eg, house prices 1989–91), the relevance of different time periods, accessibility, liquidity, marketability, flexibility, volatility, impact of taxation, and the interrelationship between these factors.

1.2 Terminology and Stock Exchange practice

Candidates should have a knowledge of

- investment terms: dividends, P/E ratios, yields, gearing, rights issues, scrip issues, coupon, contract note, equalisation, non-certified units, distributor status, mechanisms for buying and selling.

2. Investments

Candidates should have a detailed knowledge of the structure, features, tax treatment, charging structure, pricing, methods of purchase and sale, and uses of the following investments:

2.1 Deposit based investments

- Banks, building societies (including gross deposits and offshore deposits), money market deposits, National Savings, TESSAs.

2.2 Fixed interest securities

- Gilts (fixed interest and index-linked), local authority bonds, corporate bonds.

2.3 Packaged investments

- With-profit endowments (including second hand), with-profit bonds (including treatment of market value adjustment), guaranteed income bonds, guaranteed growth bonds, guaranteed equity bonds, cash unit trusts, annuities, back-to-back packages, friendly society plans.

2.4 Collective investments (UK and overseas)

- Investment bonds, unit trusts (with and without a guarantee element), investment trusts, Personal Equity Plans.

2.5 Equities

- Ordinary shares, non-voting, quoted/unquoted, warrants, convertible shares, preference shares, Permanent Interest Bearing Shares (PIBS).

2.6 Offshore funds

- Equities, offshore bonds, foreign currency, foreign government stock.

2.7 Derivatives

- Futures, options.

2.8 Collectibles

- Works of art, antiques, coins, stamps and other collectibles used for investment purposes.

2.9 Lloyd's

- Membership of Lloyd's.

2.10 Commodities

- Physicals, futures.

2.11 Special schemes

- Enterprise investment schemes, venture capital trusts.

2.12 Property

- Principal private residence, holiday lettings, enterprise zone property.

3. Collecting and analysing client data

Candidates are expected to be able to deal with clients whose overall levels of income and capital require a more sophisticated scheme of investment than is normally prepared by an FPC-level adviser.

3.1 Establishing client attitudes and objectives

Candidates should be able to

- collect and interpret relevant client data and establish the client's attitude to risk, inflation, taxation, liquidity, term of investment and investment objectives.

3.2 Analysing a client's financial situation

Candidates should be able to

- analyse a client's financial situation (including existing investments).
- prepare an income and expenditure report and a current capital or asset position.

From these statements, candidates should be able to

- identify immediate client needs in terms, for example, of revising the current investment strategy, or planning opportunities to mitigate income tax, capital gains tax and inheritance tax.

4. Practical application of personal investment planning

4.1 Constructing a suitable portfolio

Candidates should be able to

- construct a portfolio (including packaged products) to meet a client's objectives including the client's requirement for income and growth, and reasons for investment.

They should be able to

- apply different approaches to take into account the client's situation regarding residency status, family finances, existence of trusts, tax position, attitude to risk, need for liquidity.

4.2 Pensions in investment planning

Candidates should understand

- the use of pensions as an investment vehicle and know the circumstances in which pensions are particularly appropriate as part of an investment strategy, having regard to the specialist nature of pensions advice.

4.3 Presenting reasoned recommendations

Candidates should be able to

- produce a report explaining 'the reason why' action should be taken.

They should be able to

- present reasoned recommendations to satisfy a client's objectives and provide full explanations of the appropriate products in terms a client will understand, indicating how the products interact to fulfil those objectives.

They should be able to

- put the recommendations into effect and be able to liaise with other professionals as part of the overall advice offered.

They should be able to

- maintain appropriate records of their advice and action taken.

4.4 Monitoring client circumstances

Candidates should be able to

- monitor changes in a client's circumstances and react with new advice as circumstances change.

G20 PERSONAL INVESTMENT PLANNING

READING LIST

Note: The examination will test the syllabus provided in this handbook and the syllabus alone. The reading list is provided for guidance only and is not in itself the subject of the examination.

Only the CII publications can be obtained from the CII. For all other publications contact the publisher. It is possible that a book on the reading list may be out of print. Such books can usually be obtained through the public library service.

PRIMARY TEXT

G20. Personal investment planning, CII/LIA/Taxbriefs. Latest edition.

OTHER TEXTS

The following publisher also produces materials designed to cover the AFPC syllabuses:

BPP Publishing

Aldine House, Aldine Place, 142-144 Uxbridge Rd, Shepherds Bush Green, London W12 8AW.

CASE STUDIES

G20 Personal investment planning, CII/Taxbriefs.

REFERENCE WORKS AND ADDITIONAL READING

Allied Dunbar investment and savings handbook, H. Littlefair, Longman. Latest edition

Allied Dunbar tax handbook, A. Foreman, Pitman. Latest edition

Consumer's guide to lump sum investment, Kogan Page, 1995

The financial adviser's factbook, Gee Publishing, updated regularly

A guide to personal financial planning. L. W. G. Tutt, CII, 1995

J. Rothschild Assurance tax guide, W. Sinclair, Orion Books Ltd. Latest edition

Kelly's financial planning for the individual, Gee Publishing. Latest edition

Lamont's Glossary (money and investment dictionary), B. Lamont, Advanced Media Group plc. Latest edition

Life assurance and pensions handbook, C. Marshall, Taxbriefs, updated regularly

Personal financial planning: an introduction, T. McRae, Chapman & Hall, 1995

Personal financial planning manual, R. Rhodes, Butterworth. Latest edition

EXAMINATION GUIDE AND EXAMINERS' REPORTS

You are strongly advised to study these before the examination. See page 16.

EXAM TECHNIQUE/STUDY SKILLS

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements. An example is: *How to pass exams without anxiety*, David Acres, How To Books, 1995

For a more interactive approach, you should consider *Winning the brain game* CD-Rom, CII/Neil Taylor, 1996, available from the CII.

PERIODICALS

Financial Adviser, weekly

Financial Planning Professional, Gee & Co., monthly

Financial Times, daily

Investment Week, weekly

The Journal, CII, bimonthly (sent to CII/SOFA members and available on subscription to non-members)

Money Management, monthly

Money Marketing, weekly

Pensions Management, monthly

Pensions World, monthly

Planned Savings, monthly

Prospect, LIA, monthly

Technical Adviser, SOFA, quarterly

Which?, Consumers' Association, monthly

G30 BUSINESS FINANCIAL PLANNING

SYLLABUS

A^{IM}

The aim of this subject is to develop in the candidate, who has already reached the standard of the FPC, a knowledge of all financial planning aspects of running a business, and an ability to advise clients appropriately.

Changes to the syllabus printed in the 1997 handbook are highlighted.

A^{SSUMED KNOWLEDGE AND APPLICATION SKILLS}

It is assumed that the candidate already has the

knowledge and application skills gained from study of the relevant units of Papers 1, 2 and 3 of the FPC and from the AFPC paper, G10 Taxation and trusts. It is also assumed that the candidate can use basic financial mathematics for tasks such as grossing up, projecting future values of current amounts and discounting future amounts into current values.

M^{ETHOD OF ASSESSMENT}

See page 4.

NOTES

1. The syllabus will be tested on the basis of English law and practice. Where Scots law and practice differ, this will be explained in the primary text.
2. The syllabus printed here will be examined in 1998. Changes may be made to the syllabus to be examined in 1999 and these will be highlighted in the 1999 examination handbook.

1. The legal forms of business

- 1.1 Formation issues and practical consequences of the different legal forms
Candidates should understand
 - the formation issues and practical consequences of the different legal forms of business.
- 1.2 Sole trader
Candidates should be able to
 - advise on sole traders: personal liability, responsibilities.
- 1.3 Partnership
Candidates should be able to advise on the following:
 - partnership formation: definition, numbers, names, duration;
 - relations between partners: good faith, provision of capital, division of profits, rights to an indemnity, interest, advances, management, new partners, differences of opinion, partnership books, partnership property;
 - partners' relations with third parties: actual authority, apparent authority, holding out, contractual liability;
 - change in composition of partnerships: expulsion of a partner, retirement, notification, indemnification, death, bankruptcy, dissolution, realisation and distribution of firm's assets including goodwill.
- 1.4 Unincorporated association
Candidates should be able to
 - advise on unincorporated association: no existence separately; liability; responsibilities; comparison with limited companies.

1.5 Limited company

Candidates should be able to advise on the following:

- company formation: promotion, incorporation, memorandum and articles, voluntary alteration of company name, objects clause, alteration of objects, registered office clause, limited liability clause, capital clause;
- company management: powers of directors to bind company, powers of a delegate to bind company, types of authority, the secretary, appointment and removal of directors, disqualification, powers and duties of directors.

2. Taxation

2.1 Income tax, CGT, IHT, National Insurance, corporation tax

Candidates should be able to apply the tax framework to give advice to the following:

- sole traders and partners: taxation of income/profits, taxation of capital gains, inheritance tax; rules relating to opening/closing years, allowable expenditure, dates tax is collected;
- companies: corporation tax issues including residence, profits of a company, charges on income, rates of tax (including small companies rate, marginal rate), dividends and distribution, advance corporation tax, close companies;
- directors and employees: the office of director, employment, emoluments, gifts, benefits in kind, living accommodation, directors and higher paid employees, allowable expenditure, terminal payments, basis of assessment.

2.2 Value Added Tax

Candidates should understand

- input/output concerning VAT, registration limits, who is liable to register, definitions of zero-rated, taxable and exempt items, rights to recover input/output VAT, penal provisions for non-compliance with VAT rules.

3. Business accounting

3.1 Profit and loss accounts, balance sheets, cash flows and budgets

Candidates should know in outline

- the audit and accounting requirements for each legal form of business and be able to interpret business accounts so that the information they contain can form the basis of appropriate financial planning advice.

4. Corporate finance

4.1 Methods of raising finance, security, bank practice

Candidates should understand

- the different types of business finance, including internal charges, eg, by debenture, and external charges, eg, by personal guarantee or security on assets personally owned.

4.2 Sale and purchase of businesses

Candidates should understand

- the corporate finance and taxation issues arising from sale and purchase of businesses;
- the inter-relationship between corporate finance and the use of company pension arrangements.

5. Protection insurance

5.1 Use of life assurance, PHI, critical illness, sickness and accident insurance for business protection

Candidates should have detailed knowledge of

- how protection insurances can be used to protect businesses against death of key people, to assist with business succession by means of share purchase and protection, and in connection with cross option agreements and debt cover, the procedures for setting up such insurances and the medical and financial underwriting involved.

5.2 Trusts

Candidates should understand

- the use of trusts for critical illness policy arrangements, and life assurance including statutory and non-statutory trusts and their advantages and disadvantages.

6. Individual pension planning

6.1 Use of personal pensions, executive pension plans, small self administered schemes, funded and unfunded unapproved retirement benefit schemes for business financial planning purposes

Candidates should have a working knowledge of

- the arrangements which can be made and be able to analyse a set of facts in relation to the advantages and disadvantages of particular arrangements in a variety of typical situations, including use of trusts and nomination and their relevance to IHT planning for a family company.

7. Group pension planning and employee benefits

7.1 Use of occupational pensions, group personal pensions, group PHI, group private medical insurance, death in service benefits, profit related pay, share option schemes

Candidates should have a working knowledge of

- the establishment of pension arrangements and taxation implications, with particular reference to setting up a company pension scheme.

They should be able to

- analyse a set of facts in relation to the advantages and disadvantages of particular arrangements in a variety of typical situations.

8. Bankruptcy and insolvency

8.1 Legal and financial implications

Candidates should know

- the effect of bankruptcy on a sole trader and in partnerships;
- the basis of insolvency and liquidation of companies, including compulsory liquidation, voluntary liquidation, personal liability of directors, application of assets.

9. Practical applications

9.1 Collecting and analysing data

Candidates should understand

- the need to gather a range of information about their client's business in order to provide competent advice.

They should know

- why the data are important in the analysis of business financial planning.

They should know

- the opportunities presented by various planning options.

9.2 Preparing a report

Candidates should be able to

- produce reports explaining 'the reason why' action should be taken, understanding how to put into effect the recommendations and when to liaise with other professionals as part of the overall advice offered.

They should be able to

- maintain appropriate records of their advice and action taken.

9.3 Monitoring client circumstances

Candidates should be able to

- monitor changes in a client's circumstances and react with new advice as circumstances change.

G30 BUSINESS FINANCIAL PLANNING

READING LIST

Note: The examination will test the syllabus provided in this handbook and the syllabus alone. The reading list is provided for guidance only and is not in itself the subject of the examination.

Only the CII publications can be obtained from the CII. For all other publications contact the publisher. It is possible that a book on the reading list may be out of print. Such books can usually be obtained through the public library service.

PRIMARY TEXT

G30. Business financial planning, CII/LIA/Taxbriefs. Latest edition.

OTHER TEXTS

The following publisher also produces materials designed to cover the AFPC syllabuses:

BPP Publishing

Aldine House, Aldine Place, 142–144 Uxbridge Rd, Shepherds Bush Green, London W12 8AW.

CASE STUDIES

G30 Business financial planning, CII/Taxbriefs.

REFERENCE WORKS AND ADDITIONAL READING

Allied Dunbar business tax and law handbook, A. Foreman & D. Taylor, Pearson Professional. Latest edition

Business law, D. Keenan and S. Riches, Pitman, 1995

Business law and practice, N. Bourne, Cavendish Publishing, 1994

Essential accounting for the tax technician, The Association of Taxation Technicians, 1995

Financial management for the small business, C. Barrow, The Daily Telegraph guide, Kogan Page, 1995

The Financial Times guide to law for business, A. Vaitilingam, Pitman, 1994

Investor's guide to how to use company accounts for successful investment decisions, M. Stead, The Financial Times/Pitman, 1995

J. Rothschild Assurance tax guide, W. Sinclair, Orion Books Ltd. Latest edition

Lamont's Glossary (money and investment dictionary), B. Lamont, Advanced Media Group plc. Latest edition

Law for the small business, The Daily Telegraph, P. Clayton, 1995

Partnership law, G. Morse, Blackstone Press, 1995

Partnership taxation, A. Homer & R. Burrows, Tolley, 1996

EXAMINATION GUIDE AND EXAMINERS' REPORTS

You are strongly advised to study these before the examination. See page 16.

EXAM TECHNIQUE/STUDY SKILLS

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements. An example is: *How to pass exams without anxiety*, David Acres, How To Books, 1995.

For a more interactive approach, you should consider *Winning the brain game* CD-Rom, CII/Neil Taylor, 1996, available from the CII.

PERIODICALS

Financial Adviser, weekly

Financial Planning Professional, Gee & Co., monthly

Financial Times, daily

Investment Week, weekly

The Journal, CII, bimonthly (sent to CII/SOFA members and available on subscription to non-members)

Money Management, monthly

Money Marketing, weekly

Pensions Management, monthly

Pensions World, monthly

Planned Savings, monthly

Prospect, LIA, monthly

Technical Adviser, SOFA, quarterly

Which?, Consumers' Association, monthly

G60 PENSIONS

SYLLABUS

AIM

The aim of this subject is to develop in the candidate, who has already reached the standard of the FPC, a knowledge of pensions and pension transfers and an ability to advise individual clients on all aspects of pension provision.

This paper is available on a stand-alone basis for candidates wishing to demonstrate specialist knowledge and skills in pensions and pensions transfers.

knowledge and application skills gained from study of the relevant units of Papers 1, 2 and 3 of the FPC. It is also assumed that the candidate can use basic financial mathematics for tasks such as grossing up, projecting future values of current amounts and discounting future amounts into current values.

METHOD OF ASSESSMENT

See page 4.

ASSUMED KNOWLEDGE AND APPLICATION SKILLS

It is assumed that the candidate already has the

NOTES

1. The syllabus will be tested on the basis of English law and practice. Where Scots law and practice differ, this will be explained in the primary text.
2. The syllabus printed here will be examined in 1998. Changes may be made to the syllabus to be examined in 1999 and these will be highlighted in the 1999 examination handbook.

1. Pensions planning

- 1.1 Constructing suitable solutions
Candidates should understand
- how the assumptions utilised will affect the final result and why certain assumptions can only be fixed with reference to their relationship to the other assumptions in the calculation.

2. Compliance

- 2.1 How to assess the risk profile of the client; the relevant 'soft' and 'hard' facts; the essential information on GN7 or EB16 (now PIA rule notice no. 5) and where to obtain each part; interpretation of scheme details
Candidates should understand
- how to assess and explain risk profile, which facts are essential if advice on pensions is to be given in a compliant manner: soft facts, eg, those pertinent to the client's wishes and aspirations; hard facts, eg, scheme details, periods of service.
- 2.2 SIB requirements
Candidates should know
- the minimum information required by SIB for the evaluation of a pensions transfer.
- 2.3 Knowledge and understanding of relevant documents
Candidates should understand
- how to interpret scheme accounts and reports, actuarial statements, and be conversant with the contents of typical scheme booklets.

3. Investment

- 3.1 The relationship between Retail Prices Index, investment yields and trends, in particular gilt vs. equity returns
Candidates should understand
- the trends which have occurred historically between the various indices.
- They should know*
- the risk profile of various investment types and mixes.

4. Legislation and practice notes

- 4.1 The implications of equalisation; SS90; the rights of a member (including disclosure); certification in detail including overfunding; how the regimes interact, ie, pre-1987, 1987-89, and post-1989
Candidates should understand
- how equalisation will operate within the legislative framework (ie, State pension age)—the effect and scope of the Pensions Act 1995.
- They should know*
- the rights of a member with regard to preservation and disclosure of information.
- They should understand*
- the certification of lump sums and certification in respect of overfunded benefits, how the various regimes interact with retained benefits and maximum benefits.
- 4.2 The use of trusts
Candidates should understand
- the use and application of trusts in pensions for both individual and occupational pension schemes.

- 4.3 The duties and responsibilities of trustees
Candidates should know
- the duties and responsibilities of trustees.
- 4.4 Compliance with the Pensions Act 1995
Candidates should know
- the rules concerning compliance with the Pensions Act 1995.
- 4.5 The effects of the Pensions Act 1995
Candidates should understand the effect of the Pensions Act 1995 on the following:
- the administration of pension schemes;
 - the roles and responsibilities of advisers;
 - the role and scope of the regulator;
 - the extension of disclosure provisions and the associated penalties for non-compliance;
 - the implementation and operation of dispute resolution procedures;
 - the system of compensation, including the Ombudsman;
 - the effect on pension schemes with regard to limited price indexation, investment strategy, insolvency, member nominated trustees and the minimum funding requirement.
- 4.6 Pensions and divorce
Candidates should understand
- the principle of 'earmarking' and be aware of the practical problems associated with pension splitting.

5. Personal pensions/retirement annuities

- 5.1 The interaction between a Personal Pension Plan (PPP) and a Retirement Annuity Policy (RAP)
Candidates should understand in detail
- how the interaction operates, the implications of payments to a PPP/Pension Term Assurance which then restricts the payment to an RAP, particularly in respect of the carry forward rules.
- 5.2 Carry forward of unused relief; carry back of contributions; carry back to carry forward
Candidates should understand
- how carry back and carry forward of reliefs work in practice, in conjunction with previous and current tax years.
- 5.3 Interaction of PPP and Occupational Pension Scheme (OPS) risk benefits
Candidates should know
- what OPS risk benefits can be provided without affecting eligibility for a PPP.
- 5.4 Contracting out using an Appropriate Pension Plan (APP)
Candidates should understand
- how minimum contributions are treated in an APP, how benefits are payable (form and timing), the rules for transfers to and from an APP, for whom contracting out via an APP is appropriate.

6. Phased retirement/personal pension fund withdrawal

- 6.1 Suitability and risks attaching to phasing retirement
Candidates should understand
- how staggered vesting/phased retirement works in practice, the effect of certification of tax free cash, why segmentation is important, the regulators' stance on illustrations.
- They should know*
- the risks and disadvantages of phased retirement, the IHT position on death prior to final vesting, and the circumstances in which phased retirement would be suitable as an alternative to annuity purchase or receiving a pension from an OPS.
- 6.2 Personal pension fund withdrawal
Candidates should understand
- the rules concerning personal pension fund withdrawal.
- 6.3 Risk
Candidates should understand
- the effect that various levels of income will have on the fund invested and how this relates to the risk profile of the investor.
- 6.4 Government Actuary's Department (GAD)
Candidates should understand
- how the GAD limits operate and how they are calculated.
- 6.5 Death benefits
Candidates should understand
- the form of death benefits during income withdrawal and their particular tax treatment.
- 6.6 Investments
Candidates should understand
- which investments are suitable for income withdrawal.
- ## 7. Self Invested Personal Pensions (SIPP)
- 7.1 Detail of Memorandum 101; its effect on establishment and practice
Candidates should understand
- the detail of Memorandum 101, the range of acceptable investments, how and when property can be purchased by a SIPP.
- 7.2 General use of a SIPP
Candidates should understand
- the risk profile of a SIPP and its suitability for various individuals.
- 7.3 Use of a SIPP for income withdrawal
Candidates should understand
- why a SIPP may be preferable as a vehicle for income withdrawal.

8. Executive Pension Plans (EPP)

8.1 Rules

Candidates should understand

- the rules, both old and new, which control the level of input of contributions to an EPP;
- the form of benefits at retirement or on death in service.

8.2 Use of an EPP

Candidates should understand

- the suitability of an EPP for various individuals.

9. Small Self Administered Schemes (SSAS)

9.1 Rules

Candidates should understand

- how a SSAS is established, the rules which govern its operation, what are acceptable investments, the implications of losing approval, how contributions are calculated with regard to Inland Revenue maxima.

They should know

- how benefits are withdrawn from the SSAS and in what form on death in service or at retirement.

They should know

- the duties and role of the pensioner trustee.

They should know

- the development of SSAS from Memorandum 58 onwards.

9.2 Use of a SSAS

Candidates should understand

- the suitability of a SSAS for various individuals.

10. Occupational Pension Schemes

10.1 The design, structure and risk profiles of public sector, final salary, money purchase schemes; how money purchase underpin and transfer clubs operate

Candidates should understand

- how OPSs are designed and amended to fit the objectives of the trustees/employer and legislative requirements.

They should know

- how public sector schemes differ in funding and structure.

They should understand

- levelling up and down when schemes are equalised;
- how money purchase underpins operate in practice.

They should know

- about the workings and effect of transfer clubs.

10.2 Membership—when overseas/non-resident, when non-UK national

In connection with the membership of an OPS by non-UK nationals, candidates should know

- the options on retirement if members are returning to their own country.

11. Additional Voluntary Contributions/Free Standing Additional Voluntary Contributions (AVC/FSAVC)

11.1 Security of AVC benefits if not segregated; transfers to and from

Candidates should know

- the various types of AVC schemes which exist;
- their risk profile, method of operation, the security of their assets.

They should understand

- which transfers to and from an AVC/FSAVC can be effected.

11.2 Eligibility for FSAVC

Candidates should know

- the eligibility for an FSAVC, and the effect of leaving service, changing employment.

11.3 Form of benefits; interaction of AVC/FSAVC; death benefits under an FSAVC

Candidates should understand

- the form of benefits under an AVC/FSAVC;
- how AVCs and FSAVCs interact with the maximum level of contributions;
- the level of lump sum death benefits which can be purchased under an FSAVC.

11.4 FSAVC—headroom checks; taxation of surplus benefits

Candidates should understand

- the method employed to calculate headroom checks for FSAVC contributions and how surplus benefits are treated for taxation.

12. Personal Equity Plans (PEP)

12.1 (An alternative to Pension Contracts.) As an alternative to AVCs/FSAVCs

Candidates should understand

- that although the PEP is not a pension vehicle, it is an alternative to AVCs/FSAVCs where additional cash is required on retirement.

13. Unapproved schemes

13.1 Funded unapproved retirement benefit schemes (FURBS); unfunded unapproved retirement benefit schemes; taxation of contributions and benefits; suitability

Candidates should understand

- the reason for the development of unapproved retirement benefit schemes, how they interact with other pension provision, their tax treatment pre- and post-retirement from the company's/employee's standpoints.

They should know

- the range of investments which FURBS can utilise, and the form of emerging benefits.

14. Options for the leaver

14.1 The effect on the preserved benefit of LPI pre and post-retirement, s.21 orders, the application of early retirement factors; the effect of discretionary increases pre- and post-retirement

Candidates should understand

- how the various methods of revaluation work, how s.21 orders and fixed revaluation differ;
- the significance and effect of discretionary increases on the preserved benefit and the eventual pension.

They should understand

- how early retirement pensions are calculated and how the benefits are paid in the event of ill health.

14.2 The various types of death in deferment benefits, the type of non pension benefits affected by a transfer; the form in which benefits can be structured/taken from a s.32 or personal pension plan

Candidates should understand

- the benefits on death in deferment under the OPS, the form in which benefits can be structured from a s.32/PPP and the death in service pre-retirement benefits.

They should understand

- the effect transferring can have on non pension benefits.

15. Overseas aspects of OPSs

15.1 Transfers to and from

Candidates should be aware of

- which transfers are possible to and from an overseas scheme, UK scheme or personal plan and vice versa.

16. State benefits and transfer values

16.1 How State pension benefits interact with occupational pension schemes and personal pension plans which have received transfer values; how indexation works for State benefits and its interactions, eg, with guaranteed minimum pensions

Candidates should know

- the outline history and current structure of State pension benefits in the UK.

They should understand

- how SERPS interacts with scheme and transfer plan benefits at retirement and how they can impact on pensionable salary.

They should know

- the likely effect of equalisation on State benefits.

16.2 How to interpret forecasts from the Department of Social Security (DSS)

Candidates should understand

- pension forecasts issued by the DSS so that they can explain their interaction to the client.

17. Superannuation schemes

17.1 eg, Civil Service

Candidates should know

- how unfunded superannuation schemes operate in practice, and the implications as to their security.

18. Assessment of transfer values

18.1 Assessment of fair value; the principles behind the calculation of transfer values; importance and effect of guarantee periods and interest rate movements

Candidates should understand

- how transfer values are calculated and whether all relevant factors have been taken into account.

They should know

- the importance of GN11 and how guarantee periods interact with its provisions.

18.2 The effect of current and proposed actuarial practice on transfer values

Candidates should be aware of

- the proposals for calculation being based on other than gilt yields.

18.3 How legislation has affected transfer values over the years

Candidates should know

- how legal changes, eg, franking, 1985 Social Security Act, Barber/Coloroll judgments have affected benefits and so transfer values.

19. Transfer value analysis

19.1 The various assumptions used in the analysis and how their numeric relationship can affect the eventual result

Candidates should understand

- how the Transfer Value Analysis System (TVAS) arrives at its critical yield, the assumptions made and how variance of these assumptions would affect the results.

They should know

- the required level of information which has to be included in the TVAS in accordance with SIB requirements.

They should understand

- how to interpret the results of the TVAS in the light of the client's circumstances.

20. Bulk transfers

20.1 Scheme wind-ups: utilisation, options, types

Candidates should know

- when bulk transfers can be utilised, and the procedures which have to be followed.

They should know

- what future options are available to the member after the bulk transfer has been concluded, and the types of plans which are used for bulk transfers.

21. Money purchase schemes

21.1 Group Personal Pension (GPP)/Contracted Out Money Purchase (COMP)/Contracted In Money Purchase (CIMP)—suitability; advantages and disadvantages

Candidates should understand

- the construction of the various types of money purchase schemes and which would be most suitable in given circumstances.

They should know

- how the different schemes interact with SERPS.

They should understand

- the form of the eventual benefits and their tax treatment.

22. Scheme reconstruction and management buy-outs

22.1 The options available

Candidates should understand

- the options available and the implications of their adoption when schemes are restructured, or new arrangements established following a management buy-out.

23. Particular occupations

23.1 National Health Service Superannuation Scheme (NHSSS)

Candidates should know

- the benefits structure of the NHSSS, the interaction with AVC/FSAVC.

23.2 Doctors and dentists: members of OPS and PPP simultaneously; A9 election

Candidates should know

- how to calculate whether a doctor/dentist can fund a PPP while in the NHSSS;
- whether making an A9 election is appropriate in given circumstances and the effect this has on benefits and membership of the NHSSS.

23.3 Other occupations

Candidates should know

- the early normal retirement date available to particular types of occupation, eg, sports persons.

G60 PENSIONS

READING LIST

Note: The examination will test the syllabus provided in this handbook and the syllabus alone. The reading list is provided for guidance only and is not in itself the subject of the examination.

Only the CII publications can be obtained from the CII. For all other publications contact the publisher. It is possible that a book on the reading list may be out of print. Such books can usually be obtained through the public library service.

PRIMARY TEXT

G60. Pensions, CII/LIA/Taxbriefs, latest edition.

OTHER TEXTS

The following publisher also produces materials designed to cover the AFPC syllabuses:

BPP Publishing

Aldine House, Aldine Place, 142–144 Uxbridge Rd, Shepherds Bush Green, London W12 8AW.

CASE STUDIES

G60. Pensions, CII/Taxbriefs.

REFERENCE WORKS AND ADDITIONAL READING

Inland Revenue practice notes IR12, 1991. Relevant memoranda of the Pension Schemes Office and Occupational Pensions Board.

A guide for pension scheme trustees, Occupational Pensions Regulatory Authority. 1997

Allied Dunbar pensions handbook, A. Reardon, Longman. Latest edition

Financial and tax planning through pensions, P. Smith, Butterworths, 1992

The guide to the Pensions Act 1995, Tolley, 1995

Lamont's Glossary (money and investment dictionary), B. Lamont, Advanced Media Group plc. Latest edition

The law of occupational pension schemes, N. Inglis-Jones, Sweet & Maxwell, updated regularly

Pension transfers: an analysis of the legislation, regulations and historical developments, NPI, 1994

The pensions factbook, ed. R. Gaines, Gee Publishing, updated regularly

Pensions pocket book, NTC/Bacon & Woodrow, 1994

Tolley's pensions handbook, J. Fenton, R. Ham and J. Sabel, Tolley. Latest edition

The Which? guide to pensions, J. Lowe, Consumers' Association, 1994

EXAMINATION GUIDE AND EXAMINERS' REPORTS

You are strongly advised to study these before the examination. See page 16.

EXAM TECHNIQUE/STUDY SKILLS

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements. An example is: *How to pass exams without anxiety,* David Acres, How To Books, 1995

For a more interactive approach, you should consider *Winning the brain game* CD-Rom, CII/Neil Taylor, 1996, available from the CII.

PERIODICALS

Financial Adviser, weekly

Financial Planning Professional, Gee & Co., monthly

Financial Times, daily

The Journal, CII, bimonthly (sent to CII/SOFA members and available on subscription to non-members)

Money Management, monthly

Money Marketing, weekly

Pensions Management, monthly

Pensions World, monthly

Planned Savings, monthly

Prospect, LIA, monthly

Technical Adviser, SOFA, quarterly

Which?, Consumers' Association, monthly

ADVANCED FINANCIAL PLANNING CERTIFICATE

G70 INVESTMENT PORTFOLIO MANAGEMENT

SYLLABUS

AIMS

The aim of this subject is to develop candidates' understanding of investment portfolio management so that they can

- describe investment markets and the main types of financial investments
- explain how investment markets are affected by economic and political conditions
- explain the theory and practical implications of investment risk and portfolio theory
- evaluate the success of investment strategies and asset allocation models
- describe the regulatory requirements for investment portfolio management.

EXAMINATION

The subject will be assessed by means of a three-hour written paper consisting of short questions, a case study and structured questions. The examination is appropriate for financial advisers who undertake investment portfolio management for their clients, including those advising on both direct and collective

investments. Candidates will be expected to apply their knowledge to devise reasoned and structured solutions to clients' investment needs and design and alter portfolios using different types of investments.

ASSUMED KNOWLEDGE

It is assumed that the candidate already has the knowledge gained from a study of the relevant units of papers 1, 2 and 3 of the FPC or an equivalent regulatory benchmark qualification, as well as paper G10 Taxation and Trusts. Candidates are also assumed to have a basic knowledge of statistical methods and financial mathematics.

Candidates are advised to study for G20 Personal investment planning before attempting this paper, as this paper builds on knowledge gained by studying for the G20 paper.

METHOD OF ASSESSMENT

See page 4.

NOTES

1. The syllabus will be tested on the basis of English law and practice. Where Scots law and practice differ, this will be explained in the primary text.
2. The syllabus printed here will be examined in 1998. Changes may be made to the syllabus to be examined in 1999 and these will be highlighted in the 1999 examination handbook.

1. The economic environment

1.1 The key political and social factors which affect investment markets

Candidates should be able to

- describe in outline the main political and social factors which affect investment values and returns.

1.2 Economic and financial factors which affect financial markets

Candidates should be able to

- describe the main economic and financial factors which affect investment values and returns, including economic growth trends, productivity of labour and capital, technological change, sectional, regional, national and world business cycles, international trade, capital movements, exchange rates, money supply, interest rates and inflation.

1.3 How political, social, economic and financial factors affect investment markets

Candidates should be able to

- describe how these factors tend to affect the development and behaviour of financial institutions and markets;
- explain these issues in relation to the UK and make comparisons with other markets (US, Japan, Europe) and also emerging markets.

1.4 The role of governments in investment markets

Candidates should be able to

- describe in outline the role of governments in determining monetary and fiscal policy, interest rates, public sector finance, regulation of financial markets and other businesses.

1.5 Central banks and the banking system

Candidates should be able to

- describe in outline the functions of central banks and the banking system and their relationship to bond markets.

2. Direct financial investments

2.1 Cash investments

2.1.1 Characteristics

Candidates should be able to

- describe the main classes of cash investments including deposits, certificates of deposit, Treasury bills;
- distinguish between the main types of cash investment and be able to contrast cash investments with other main categories of investments, such as fixed interest securities and equities.

2.1.2 Risk and return

Candidates should be able to

- describe the risks and returns of cash investments.

2.1.3 Methods of analysis

Candidates should be able to

- describe methods of analysing cash investments.

2.1.4 Different currencies

Candidates should be able to

- explain the main issues with respect to investment in different currencies with particular reference to risk and returns.

2.2 Fixed interest investments

2.2.1 Characteristics

Candidates should distinguish between

- the main types of fixed interest investment including gilts, both fixed interest and index-linked (including the basic function of strips and repo markets);
- convertibles and preference shares;
- foreign government bonds;
- local authority bonds;
- UK and overseas corporate debt;
- Eurobonds.

They should be able to

- explain their uses and applications;
- describe fixed interest markets and how securities are issued and redeemed;
- describe the structure and use of the yield curve.

2.2.2 Factors which affect fixed interest investments

Candidates should understand

- how economic, political and other developments may affect fixed interest investments.

2.2.3 Methods of analysis

Candidates should be able to

- demonstrate an understanding of how yields are calculated.

2.2.4 Risk and return

Candidates should be able to

- describe the risks and returns of fixed interest investments;
- distinguish between financial risks and credit risks;
- explain the relevance of credit rating.

2.3 Equity investments

2.3.1 Characteristics

Candidates should be able to

- describe the characteristics of different equity investments including such factors as market ratings, size, sector classifications, financial strength and extent of cyclical influences.

2.3.2 Methods of analysis

Candidates should be able to

- describe how shares are valued including such factors as dividend, yield, price earnings ratio, net asset value, borrowing, liquidity and cash flow.

2.3.3 Mergers, takeovers, privatisations, demutualisations, management buy-outs

Candidates should be able to

- explain the basic mechanics of mergers and takeovers, privatisations, demutualisations and management buy-outs and how mergers and acquisitions are financed and analysed.

2.3.4 Venture capital markets

Candidates should be able to

- describe the main features of venture capital markets.

2.3.5 New issues

Candidates should be able to

- explain the operation of the new issues market, scrip issues, rights issues, splits and how these affect investors and investment decisions.

2.3.6 Risk and return

Candidates should be able to

- describe the risks and returns of equity investments.

2.4 Derivatives

2.4.1 Investment characteristics

Candidates should be able to

- describe the main kinds of derivatives: futures, options (including warrants) and their main investment characteristics, how they are traded and their use in investment management including the role of warrants in the issue of new investment trusts.

They should be aware of

- the risk involved including counterparty risk.

2.4.2 Risk and return

Candidates should be able to

- assess the potential risks and rewards;
- describe how investment managers can use derivatives to simulate markets and to increase or reduce risk in portfolios.

3. Collective investments and investment trusts

3.1 Unit trusts and open ended investment companies (OEICs)

Candidates should have a detailed knowledge of

- the structure, pricing, roles of key participants such as trustees, mechanics of buying, selling and pricing of unit trusts and OEICs.

They should be able to

- compare the structure, investment objectives and tax treatment of different types of unit trusts and OEICs both in the UK and offshore;
- compare OEICs and unit trusts, with particular reference to pricing, purchase and sale of investments and the impact of charges.

3.2 Investment trusts (ITs)

Candidates should be able to

- describe the structure and management of ITs and their role within investment portfolios;
- distinguish the main types of ITs including those with split capital structure and how they are analysed and evaluated;
- explain the concepts of net asset value (including diluted and undiluted net asset value), premium and discount;
- describe the impact of charges;
- explain the roles of warrants, C shares, S shares and packaged units;
- understand the different investment objectives of investment trusts;
- understand the investment powers of the directors and the role of gearing in investment trust management.

3.3 Life assurance based investments

Candidates should be able to

- evaluate investment objectives of unit linked fund managers;
- distinguish between different types of with profit policies and explain the criteria used in choosing between different with profit providers;
- describe and evaluate onshore and offshore product structures and the concept of linked funds, unit pricing, charges and the tax position of the life office and how it can impact on unit linked funds;
- describe the structure and use of derivative based life contracts; evaluate the advantages and limitations of broker funds.

3.4 Index tracker funds

Candidates should be able to

- describe the advantages and limitations in using index tracker funds;
- describe the different ways of constructing index tracker funds and evaluate and explain their role in portfolio planning;
- describe the criteria to be used in selecting index tracker funds.

4. Other investments

4.1 Unlisted securities

Candidates should be able to

- describe and evaluate the risks involved in investment in unlisted securities.

4.2 Venture capital trusts, enterprise investment schemes, enterprise zone buildings

Candidates should be able to

- describe the main tax features, principal rules and risks involved in venture capital trusts, enterprise investment schemes and enterprise zone buildings.

4.3 Physical assets and commodities

Candidates should be able to

- describe and evaluate the main risks and costs of buying and selling physical assets (including works of art and commodities) as well as investing in commodity futures and options;
- compare the risks and returns of investing in these assets in relation to equity investments.

4.4 Property

Candidates should be able to

- describe the basic issues surrounding both commercial and residential property investment and property markets, including the main participants (institutions, tenants, developers, planners, investors), direct and indirect holdings, valuations, investment characteristics;
- compare the risks and returns of property investment in relation to equity and fixed interest investment.

5. Interpretation of accounts

5.1 Accounts and accounting principles

Candidates should be able to

- interpret company accounts in the investment context.

5.2 How financial data underpin investment decisions

Candidates should be able to

- explain how accounts and annual reports are relevant to investment decisions and the limitations of such information;
- compare different company profiles;
- describe the use of accounting ratios which will be helpful in making investment decisions.

6. Dealing in investment markets

6.1 The UK equity and fixed interest markets

Candidates should be able to

- describe the mechanics of dealing in UK equity and fixed interest investments, including the roles of market makers and agency brokers, commission structures and other dealing costs, registration and settlement procedures (including CREST).

6.2 Comparison of UK and other international markets

Candidates should be able to

- compare in outline the different nature of dealing in UK markets, including the Alternative Investment Market, with that of dealing in other international markets.

7. Portfolio design

7.1 Managing investment risk

Candidates should be able to

- describe modern portfolio theory and principles of asset allocation;
- describe how risk can be managed and how diversification reduces risk;
- distinguish risks that can be diversified from those that cannot;
- describe the principles behind the capital asset pricing model;
- perform simple calculations of portfolio risk.

7.2 Asset allocation and the role of the adviser

Candidates should be able to

- describe different approaches to the management of portfolios including the evaluation of investment trusts and unit trusts;
- construct and justify different asset allocation models to achieve different portfolio objectives for income, risk, time scale, tax position.

8. Fund management services

8.1 Portfolio investment management

Candidates should understand

- the roles of investment managers and advisers for the main types of institutional and private clients in relation to different markets, investment objectives and legal constraints, different risk, profit, growth and income needs.

Candidates should be able to

- describe and evaluate the main features of portfolio investment management services;
- distinguish the roles and responsibilities of portfolio managers and compare discretionary and advisory services and requirements for reporting to clients on a regular basis;
- evaluate different charging structures and their impact on investment decisions.

8.2 Management of direct investments, unit trusts, offshore funds, OEICs, investment trusts and life assurance products

Candidates should be able to

- describe the features of services as they apply to direct investments, unit trusts, offshore funds, OEICs, investment trusts and life assurance products;
- compare the relative merits of investing in these different structures and vehicles.

8.3 Pensions

Candidates should be able to

- describe the investment requirements of individual pension arrangements including Self Invested Personal Pension (SIPP), Small Self Administered Scheme (SSAS) and unit linked pensions generally;
- recommend appropriate strategies for pension funds where draw-down facilities are used.

8.4 Personal Equity Plans (PEPs)

Candidates should be able to

- evaluate how PEPs fit into overall portfolio planning and when switches are appropriate.

9. Performance assessment and financial calculations

9.1 Time value of money

Candidates should be able to

- describe the principle of the time value of money and carry out simple compound interest and related calculations.

9.2 Benchmarks and indices

Candidates should be able to

- describe the broad principles of financial index construction, distinguishing between those indices used in the main investment markets both in the UK and overseas.

9.3 Understanding and using statistical data: measurement of investment performance and returns of equity, fixed interest and other investment portfolios

Candidates should be able to

- use statistical data for the measurement of investment performance;
- calculate rates of return and distinguish between time-weighted and money-weighted returns;
- evaluate the uses and limitations of performance measurement.

9.4 Investment criteria, switching

Candidates should be able to

- establish and evaluate criteria for the selection of investment managers, pension funds, insurance funds, unit trusts and investment trusts;
- describe and justify criteria for making switching decisions between investments;
- define appropriate performance benchmarks.

9.5 Risk indicators

Candidates should be able to

- appraise critically statistical information about measurements of volatility including Beta factors and other indicators of risk.

10. Regulatory environment

10.1 The conduct of investment business as it applies to investment managers and advisers

Candidates should be able to

- describe the main SIB, PIA, SFA and IMRO rules as they apply to investment management issues in relation to both discretionary and advisory management service, including broker funds.

10.2 The responsibilities and expertise of investment managers and advisers

Candidates should have particular knowledge of

- marketing, classification of clients, know your client, client agreements, conduct of business, best execution, record keeping, client money, information provision, complaints, safe custody, personal dealing, suitability of products and execution only.

10.3 Investment Services Directive

Candidates should be able to

- explain the provisions of the Investment Services Directive.

G70 INVESTMENT PORTFOLIO MANAGEMENT

READING LIST

Note: The examination will test the syllabus provided in this handbook and the syllabus alone. The reading list is provided for guidance only and is not in itself the subject of the examination.

Only the CII publications can be obtained from the CII. For all other publications contact the publisher. It is possible that a book on the reading list may be out of print. Such books can usually be obtained through the public library service.

PRIMARY TEXT

G70. Investment portfolio management, CII/LIA/Taxbriefs, latest edition.

OTHER TEXTS

The following publisher also produces materials designed to cover the AFPC syllabuses:

BPP Publishing

Aldine House, Aldine Place, 142–144 Uxbridge Rd, Shepherds Bush Green, London W12 8AW.

REFERENCE WORKS AND ADDITIONAL READING

Allied Dunbar investment and savings handbook, latest edition, H. Littlefair, Longman

Allied Dunbar tax handbook, latest edition, A. Foreman, Pitman

Financial market analysis, D. Blake, McGraw-Hill, 1990

International investment, B. Solnick, Addison Wesley, 1991

Investment appraisal and financial decisions, S. Lumby, Chapman and Hall, 1994.

Investments, W. Sharpe, Prentice Hall, 1990

J. Rothschild Assurance tax guide, latest edition, W. Sinclair, Orion Books.

Lamont's Glossary (money and investment dictionary), B. Lamont, Advanced Media Group plc. Latest edition

Modern portfolio theory, Elton & Gruber, Wiley, 1991.

Portfolio and investment management, F. Fabozzi (ed), Probus Publishing, 1989

EXAMINATION GUIDE AND EXAMINERS' REPORTS

You are strongly advised to study these before the examination. See page 16.

EXAM TECHNIQUE/STUDY SKILLS

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

How to pass exams without anxiety, David Acres, How To Books, 1995

For a more interactive approach, you should consider *Winning the brain game* CD-Rom, CII/Neil Taylor, 1996, available from the CII.

PERIODICALS

Financial Adviser, weekly

Financial Planning Professional, Gee & Co., monthly

Financial Times, daily

Investment Week, weekly

The Journal, CII, bimonthly (sent to CII/SOFA members and available on subscription to non-members)

Money Management, monthly

Money Marketing, weekly

Pensions Management, monthly

Pensions World, monthly

Planned Savings, monthly

Prospect, LIA, monthly

Technical Adviser, SOFA, quarterly

Which?, Consumers' Association, monthly

G80 LONG-TERM CARE, LIFE AND HEALTH PROTECTION

SYLLABUS

INTRODUCTION

Candidates will be expected to demonstrate their professional skills in advising individual clients on their need for financial protection, in the event of requiring care in old age, cessation of income, illness or death in both personal and business circumstances. This will mean candidates demonstrating, in a practical way, their ability to apply knowledge of long-term care products and other protection products to provide suitable and appropriate advice in specific client situations.

AIMS

The aims of this subject are to develop the candidate's ability to

- identify an individual client's needs, in respect of both their personal and business circumstances, for financial protection in the event of requiring care in old age, cessation of income, ill health or death;
- identify and apply different financial solutions to

- meet an individual client's identified needs including, where appropriate, the use of trusts;
- know of and be able to explain the medical and financial underwriting requirements in respect of the long-term care solutions and other protection product solutions recommended;
- know when and understand why an individual client's situation should be monitored and reviewed in respect of long-term care and other protection needs.

ASSUMED KNOWLEDGE

It is assumed that the candidate already has the knowledge and applications skills gained from the study of the relevant units of papers 1, 2 and 3 of the FPC or an equivalent regulatory benchmark qualification and of G10 Taxation and trusts.

METHOD OF ASSESSMENT

See page 4.

NOTES

1. The syllabus will be tested on the basis of English law and practice. Where Scots law and practice varies, this will be explained in the primary text.
2. The syllabus printed here will be examined in 1998. Changes may be made to the syllabus to be examined in 1999 and these will be highlighted in the 1999 examination handbook.

1. Client needs

1.1 Collecting client data

Candidates should be able to

- demonstrate an understanding of the different ways of collecting relevant client data appropriate to long-term care, life and health protection.

1.2 Analysing client data: quantitative and qualitative

Candidates should be able to

- interpret and evaluate relevant client data and analyse the need for financial protection in the event of requiring care in old age, cessation of income, ill health and death.

2. State and local authority benefits

Candidates should have a detailed knowledge of the following State and local authority benefits, particularly in respect of long-term care, and should be able to explain how they interrelate with a client's financial circumstances:

2.1 State benefits

The process and assessment criteria used when applying for Incapacity Benefit, Disability Living Allowance, Disability Working Allowance, Attendance Allowance, Income Support, Income Support for Care Fees, Industrial Injuries Compensation, Statutory Sick Pay, Job Seeker's Allowance.

2.2 Local authority benefits

The process and assessment criteria used when applying for local authority benefits for those requiring long-term care.

3. Long-term care and other protection products

Candidates should have a detailed knowledge of the following protection products, including their regulatory status, features, benefits, restrictions and tax treatment. Candidates should be able to apply this knowledge to evaluate an individual client's long-term care needs and other financial protection needs in both their personal and business circumstances:

- 3.1 **Long-term care**
Immediate need annuities, pre-funded long-term care insurance, investment linked long-term care insurance products and home equity schemes.
- 3.2 **Ill health**
Permanent health insurance, accident and sickness insurance, critical illness insurance, waiver of premium benefits, permanent and total disability benefits and terminal illness cover.
- 3.3 **Life assurance**
Term assurance, whole of life, accidental death, terminal illness options, family income benefit.
- 3.4 **Medical expenses**
Private medical insurance including comprehensive plans, budget plans, dental care insurance, major medical expenses and hospital cash plans.
- 3.5 **Redundancy insurance**
Mortgage protection insurance, accident, sickness and unemployment insurance (ASU), stand alone unemployment insurance.

4. Solutions and recommendations

- 4.1 **Presenting solutions to meet an individual's personal and business financial protection needs**
Candidates should be able to
- produce a report explaining why action should be taken and offering reasoned recommendations to satisfy an individual client's personal and business protection needs.
- They should be able to*
- explain how their recommendations interact with existing arrangements and State and local authority long-term care benefit entitlement.
- 4.2 **Taxation implications of solutions**
Candidates should be able to
- explain the appropriate tax treatment of each product they recommend in terms that the client will understand.
- 4.3 **Suitable trusts for recommended solutions**
Candidates should know
- which types of statutory and non-statutory trusts are suitable for a given set of circumstances.
- They should be able to*
- explain when and how policies should be written in trust and the use of an enduring Power of Attorney and the Court of Protection.
- 4.4 **Government rules on asset protection and partnership schemes**
Candidates should understand
- how the Government rules on long-term care asset protection and partnership schemes impact on the client's entitlement to State benefits and other financial arrangements.

5. Monitoring a client's circumstances

- 5.1 **Review of a client's circumstances**
Candidates should understand
- when and how to monitor changes in an individual client's circumstances and be able to react with new advice as both personal and legislative changes occur.
- 5.2 **Review of protection products**
Candidates should know
- when and how a key product review should be carried out in respect of premiums and benefits.
- They should understand and be able to explain*
- how any changes would impact on a client's circumstances and be able to recommend a revised solution.

6. Underwriting

- 6.1 **Underwriting requirements**
Candidates should understand and be able to explain
- the main underwriting requirements for long-term care, life and health protection products covered in section 3.
- 6.2 **Medical and financial factors**
Candidates should know
- the medical and financial factors gathered by product providers and be able to explain to the client the implications of these factors when making recommendations.

7. Product claims

- 7.1 **Making claims**
Candidates should understand
- the process and implications of making a claim.
- 7.2 **Claim options**
Candidates should be aware of
- the benefit choices available to clients when making a claim.
- 7.3 **Viatical settlements**
Candidates should understand
- the potential role of viatical settlements in meeting an individual client's needs before a claim is made on a life assurance product.
- 7.4 **Consumer protection**
Candidates should understand
- the compensation and redress available to a client in respect of individual long-term care, life and health protection products.

G80 LONG-TERM CARE, LIFE AND HEALTH PROTECTION

READING LIST

Note: The examination will test the syllabus provided in this handbook and the syllabus alone. The reading list is provided for guidance only and is not in itself the subject of the examination.

Only the CII publications can be obtained from the CII. For all other publications contact the publisher. It is possible that a book on the reading list may be out of print. Such books can usually be obtained through the public library service.

PRIMARY TEXT

G80. Long-term care, life and health protection, CII/LIA/Taxbriefs, latest edition

OTHER TEXTS

The following publisher also produces materials designed to cover the AFPC syllabuses:

BPP Publishing

Aldine House, Aldine Place, 142–144 Uxbridge Rd, Shepherds Bush Green, London W12 8AW.

REFERENCE WORKS AND ADDITIONAL READING

Allied Dunbar tax handbook, latest edition, A. Foreman, Pitman

Daily Telegraph guide to long-term care (available free from PPP Lifetime Care on 0800 585059)

J. Rothschild Assurance tax guide, latest edition, W. Sinclair, Orion Books.

Lamont's Glossary (money and investment dictionary), B. Lamont, Advanced Media Group plc. Latest edition

Options for long-term care – economic, social and ethical choices, HMSO, 1996

Pension funds and the funding of long-term care, National Association of Pension Funds, 1995

Risk, insurance and welfare – the changing balance between public and private protection, ABI, 1995

Tolley's Social Security and State Benefits handbook, J. Matthewman, Tolley, latest edition.

The financial adviser factbook, Gee Publishing, updated regularly

EXAMINATION GUIDE AND EXAMINERS' REPORTS

You are strongly advised to study these before the examination. See page 16.

EXAM TECHNIQUE/STUDY SKILLS

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

How to pass exams without anxiety, David Acres, How To Books, 1995

For a more interactive approach, you should consider *Winning the brain game* CD-Rom, CII/Neil Taylor, 1996, available from the CII.

PERIODICALS

Financial Adviser, weekly

Financial Planning Professional, Gee & Co., monthly

Financial Times, daily

Investment Week, weekly

The Journal, CII, bimonthly (sent to CII/SOFA members and available on subscription to non-members)

Money Management, monthly

Money Marketing, weekly

Pensions Management, monthly

Pensions World, monthly

Planned Savings, monthly

Prospect, LIA, monthly

Technical Adviser, SOFA, quarterly

Which?, Consumers' Association, monthly

H15 SUPERVISION AND SALES MANAGEMENT

SYLLABUS

AIMS

This subject is for candidates wishing to gain their Associateship/Fellowship of the Society of Financial Advisers. It does **not** count towards the core AFPC.

The aims of this subject are to develop in the candidate

- a thorough awareness and understanding of the knowledge necessary to apply the skills of supervision and sales management relevant to the regulated sector of financial services, with particular reference to the training and competence rules and guidance of the Personal Investment Authority (PIA);
- the ability to apply that knowledge to suggest viable and reasoned solutions to practical situations.

This paper is available on a stand-alone basis for candidates wishing to demonstrate specialist supervisory knowledge and skills in the regulatory environment.

Changes to the syllabus printed in the 1997 handbook are highlighted.

EXAMINATION

The subject will be assessed by means of a three-hour written paper consisting of short-answer questions, case studies and structured questions.

ASSUMED KNOWLEDGE AND APPLICATION SKILLS

It is assumed that the candidate already has the knowledge gained from a study of the relevant units of papers 1, 2 and 3 of the FPC or an equivalent regulatory benchmark qualification and, in addition, has practised the application skills and is a competent adviser.

METHOD OF ASSESSMENT

See page 4.

NOTES

1. The syllabus will be tested on the basis of English law and practice. Where Scots law and practice differ, this will be explained in the primary text.
2. The parts of the syllabus relating to training and competence and to recruitment will be tested mainly on the rules of the PIA, but candidates will be expected to be aware of the key differences in the rules of other regulators.
3. The syllabus printed here will be examined in 1998. Changes may be made to the syllabus to be examined in 1999 and these will be highlighted in the 1999 examination handbook.

1. Role of the supervisor

1.1 Objectives and importance of supervision

Candidates should be able to

- state the key functions of the supervisor and explain how the supervision of others can improve results.

1.2 Knowledge and skill requirements

Candidates should be able to

- describe and explain the knowledge and skill requirements for an effective supervisor.

1.3 Methods of control and checks on competence

Candidates should be able to

- identify and distinguish between appropriate methods of control and monitoring that a supervisor could use.

1.4 Improvement of competencies and their link to client and business aspects

Candidates should be able to

- explain the improvement of competencies and their link to client and business aspects in the context of regulated business.

1.5 Direct and indirect supervision

Candidates should be able to

- distinguish between roles and identify appropriate use of direct and indirect supervision.

1.6 Training, coaching, assessment, monitoring and evaluation

Candidates should be able to

- identify the principles of training, coaching, assessment, monitoring and evaluation.

2. Leadership and motivation

2.1 Leadership

2.1.1 The role of the leader

Candidates should be able to

- state and explain the functions and responsibilities of the leader.

2.1.2 Leadership styles

Candidates should be able to

- evaluate and distinguish between appropriate leadership styles and influences on individuals and teams: theories of Adair, Belbin and McGregor.

- 2.1.3 **Behavioural aspects**
Candidates should be able to
- explain the relevance of supervisor/adviser relationships and also evaluate appropriate behaviour in difficult situations.

- 2.1.4 **Dealing with conflict**
Candidates should be able to
- explain how to handle conflict.

2.2 **Motivation**

- 2.2.1 **Motivation for individuals and groups**
Candidates should be able to
- demonstrate understanding of key motivational factors: Herzberg's theory, Maslow's hierarchy of needs;
 - evaluate appropriate motivators for individuals and groups.

3. **Communication and involvement**

3.1 **Communication**

- 3.1.1 **The framework for effective communication**
Candidates should be able to
- explain the advantages of effective communication and identify communication plans appropriate to different types of organisation.

- 3.1.2 **Methods of communication**
Candidates should be able to
- describe and distinguish between the key methods of communication.

- 3.1.3 **Barriers to effective communication**
Candidates should be able to
- identify and explain appropriate solutions to communication barriers.

- 3.1.4 **Briefing groups**
Candidates should be able to
- demonstrate an understanding of the concept of briefing groups and describe the principles of its practice.

3.2 **Involvement**

- 3.2.1 **Securing involvement**
Candidates should be able to
- distinguish between alternative approaches to securing involvement.

4. **Overview of training and competence (T & C) schemes**

4.1 **PIA's T & C scheme**

- 4.1.1 **PIA scheme's key features**
Candidates should be able to
- describe key features of the PIA scheme, listing and defining essential restrictions and requirements.
- 4.1.2 **New entrants Stage 1 and 2; experienced new entrants — path to competence**
Candidates should be able to
- state and define assessment criteria to categorise new or experienced entrants as competent, including being able to state critical dates.

- 4.1.3 **The significance of competence**
Candidates should be able to
- explain and describe the relevance of competence to investors and to the type of supervision.

- 4.1.4 **Different adviser levels and supervisory activity**
Candidates should be able to
- distinguish between different levels of adviser and explain different supervision requirements.

- 4.1.5 **The training and competence officer**
Candidates should be able to
- state the responsibilities, including audit and reporting, of the T & C officer.

4.2 **Other T & C schemes**

- 4.2.1 **Other regulators' schemes**
Candidates should be able to
- compare the key features of other regulators' schemes with those of the PIA scheme.

5. **Planning a T & C scheme**

5.1 **Current T & C requirements**

- 5.1.1 **Elements of a T & C scheme under the PIA scheme**
Candidates should be able to
- state key constituents of a T & C scheme.

- 5.1.2 **Formal written procedures**
Candidates should be able to
- list key elements of the scope, coverage and content of a written plan for a T & C scheme.

- 5.1.3 **Generic knowledge requirement**
Candidates should be able to
- identify key elements of the generic knowledge requirement.

- 5.1.4 **Induction process**
Candidates should be able to
- outline a suitable induction process for regulated business.

- 5.1.5 **Requirements for company procedures and products**
Candidates should be able to
- define requirements for company procedures and products.

- 5.1.6 **Competencies and levels of authorisation**
Candidates should be able to
- explain the relationship between competencies and levels of authorisation.

- 5.1.7 **Training and experience requirements for supervisors**
Candidates should be able to
- identify suitable outline plans for training and experience requirements for supervisors.

- 5.1.8 **Record keeping**
Candidates should be able to
- list essential requirements for record keeping at all levels.

- 5.1.9 **Training, assessment and monitoring of supervisors**
Candidates should be able to
- identify key elements and distinguish differences between what is necessary for the adviser and the supervisor in respect of training, assessment and monitoring.

- 5.2 **Continuing professional development**
- 5.2.1 Continuing professional development (CPD) for advisers and supervisors
Candidates should be able to
- identify needs and evaluate solutions in respect of appropriate training and individual development needs.
- 5.2.2 Format and mix of CPD
Candidates should be able to
- describe appropriate CPD methods.
- 5.2.3 Individual training development and CPD records
Candidates should be able to
- identify key CPD records required.
- 6. Recruitment and selection**
- 6.1 Employment law
Candidates should be able to
- outline key legal requirements relevant to employed and self-employed advisers.
- 6.2 PIA requirements for recruitment
Candidates should be able to
- state PIA requirements, including references and credit checks.
- 6.3 Contracts of employment
Candidates should be able to
- demonstrate an understanding of the elements of employment contracts and their relevance to the supervisor.
- 6.4 Screening and testing methods
Candidates should be able to
- describe and explain the relevance and use of screening and testing methods.
- 7. The sales and business cycle**
- 7.1 Pre-call activity; initial contact; fact find completion; questions and objections; gaining commitment; analysis of needs; confirming advice; completion and follow up
In the context of a supervisor who is training and monitoring an adviser, candidates should be able to
- identify stages and key elements within the overall business cycle;
 - demonstrate an understanding of the appropriate methodology in respect of questions, objections and gaining commitment;
 - distinguish between desirable and mandatory actions;
 - identify good sales and business practice.
- 8. Training**
- 8.1 The learning process
Candidates should be able to
- describe the Kolb cycle and the Honey–Mumford theory of learning styles.
- 8.2 Training methods
Candidates should be able to
- identify and evaluate training methods for different circumstances.
- 8.3 Training needs
Candidates should be able to
- describe methods of identifying training needs.
- 8.4 Feedback
Candidates should be able to
- identify opportunities to provide feedback and evaluate appropriate feedback mechanisms.
- 8.5 Effectiveness of training
Candidates should be able to
- describe validation processes.
- 8.6 Structured training and development plans
Candidates should be able to
- explain the relevance to individual and corporate objectives of structured training and development plans.
- 9. Coaching, assessment and monitoring**
- 9.1 **Coaching**
- 9.1.1 The role of the supervisor as a coach
Candidates should be able to
- describe and differentiate the role of trainer and coach and demonstrate understanding of the coaching process.
- 9.2 **Assessment**
- 9.2.1 The assessment process
Candidates should be able to
- describe key features of the assessment process including the use of observation aids.
- 9.2.2 Observation; assessment of overall competence, skills and knowledge
Candidates should be able to
- understand and apply the behavioural model of Kaiser & Koffey;
 - identify key methods of measurement.
- 9.3 **Monitoring**
- 9.3.1 Monitoring of accompanied sales visits
Candidates should be able to
- list key stages before, during and after a sales visit.
- 9.3.2 Telephone calls and appointment making
Candidates should be able to
- identify success factors and describe suitable observation aids in monitoring telephone calls and appointment making.
- 9.3.3 Compliance, activity and production standards
Candidates should be able to
- identify and distinguish between the different types of standards which may be applied in respect of compliance, activity and production standards.
- 9.3.4 Key performance indicators
Candidates should be able to
- explain the importance of objective measurement through key performance indicators in order to identify appropriate action.

10. Standard setting

10.1 Objectives and performance

10.1.1 Setting objectives

Candidates should be able to

- explain the principles of setting objectives.

10.1.2 Individual and corporate objectives

Candidates should be able to

- describe and explain the relationship between individual and corporate objectives.

10.1.3 Job descriptions

Candidates should be able to

- identify the need for job descriptions and list their key elements.

10.1.4 Key performance indicators

Candidates should be able to

- identify and evaluate suitable key performance indicators for appraising performance.

10.1.5 Direct and indirect performance measures

Candidates should be able to

- distinguish between direct and indirect performance measures and their uses with appropriate examples.

10.2 Performance reviews

10.2.1 Performance reviews and appraisals

Candidates should be able to

- explain the purpose of performance reviews and appraisals;
- describe the methods used;
- explain their link to CPD;
- describe the appropriate areas of management intervention;
- describe the benefits which would accrue to the individual and the company.

10.3 Disciplinary matters

10.3.1 Disciplinary procedures

Candidates should be able to

- describe an acceptable chain of escalating disciplinary procedures.

10.3.2 Unsatisfactory performance

Candidates should be able to

- identify relevant examples of unsatisfactory performance.

10.3.3 Serious and gross misconduct

Candidates should be able to

- distinguish between serious and gross misconduct.

10.3.4 Termination and appeal procedures

Candidates should be able to

- describe appropriate guidelines for termination and appeal procedures.

11. Management information and quality standards

11.1 Management information

Candidates should be able to

- identify key management information required and how it can be prioritised.

11.2 Quality standards

Candidates should be able to

- define quality standards.

11.3 Variance/exception reports

Candidates should be able to

- demonstrate understanding of how variance/exception reports are established and used.

11.4 Vocational qualifications

Candidates should be able to

- explain the relevance of vocational qualifications to quality standards.

11.5 Recognised quality standards

Candidates should be able to

- identify and describe the main British and European quality standards.

H15 SUPERVISION AND SALES MANAGEMENT

READING LIST

Note: The examination will test the syllabus provided in this handbook and the syllabus alone. The reading list is provided for guidance only and is not in itself the subject of the examination.

Only the CII publications can be obtained from the CII. For all other publications contact the publisher. It is possible that a book on the reading list may be out of print. Such books can usually be obtained through the public library service.

PRIMARY TEXT

H15. Supervision and sales management, CII/LIA/Taxbriefs, latest edition

REFERENCE WORKS AND ADDITIONAL READING

PIA rule book, updated regularly

Training and competence: rules and guidance, PIA, July 1995

Training and competence information pack, PIA, June 1996

Developing management skills, D. A. Whetten & K. S. Cameron, Longman, 1995

Effective sales management, J. Stafford & C. Grant, Butterworth Heineman, 1993

In charge of customer satisfaction, R. Cartwright & G. Green, Blackwell Publishers, 1997

Lamont's Glossary (money and investment dictionary), B. Lamont, Advanced Media Group plc. Latest edition

Managing people: a competence approach to supervisory management, R. Cartwright, M. Collins, G. Green & A. Candy, Blackwell Publishers, 1993

The Outlook guide to supervisory skills and knowledge, Outlook Magazine, 15 Nash Lane, Freeland, Witney, Oxon OX8 6HS

Supervisory management, D. Evans, Cassell, 1995

Understanding organisations, C. Handy, Penguin, latest edition

Writers on organisations, D. S. Pugh & D. J. Hickson, Penguin, latest edition

ADVANCED FINANCIAL PLANNING CERTIFICATE

EXAMINATION GUIDE AND EXAMINERS' REPORTS

You are strongly advised to study these before the examination. See page 16.

EXAM TECHNIQUE/STUDY SKILLS

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

How to pass exams without anxiety, David Acres, How To Books, 1995

For a more interactive approach, you should consider *Winning the Brain Game* CD-Rom, CII/Neil Taylor, 1996, available from the CII.

PERIODICALS

Financial Adviser, weekly

Financial Planning Professional, Gee & Co., monthly

Financial Times, daily

The Journal, CII, bimonthly (sent to CII/SOFA members and available on subscription to non-members)

Money Management, monthly

Money Marketing, weekly

Outlook Magazine, 15 Nash Lane, Freeland, Witney, Oxon OX8 6HS, quarterly

Pensions Management, monthly

Pensions World, monthly

PIA Regulatory Update, issued periodically

Planned Savings, monthly

Prospect, LIA, monthly

Technical Adviser, SOFA, quarterly

Which?, Consumers' Association, monthly

H25 HOLISTIC FINANCIAL PLANNING

SYLLABUS

INTRODUCTION

The holistic financial planning paper tests candidates' ability to produce an holistic financial planning solution for a client which integrates and balances each individual plan in respect of provision for retirement, financial protection against ill health or death and saving and investing for current and future needs.

This subject is for candidates wanting to gain their Associateship/Fellowship of the Society of Financial Advisers. It does **not** count towards the core AFPC.

AIMS

The aims of this subject are to develop the candidate's ability to

- analyse and evaluate a client's circumstances and needs;
- produce an holistic financial solution based on an in-depth knowledge and understanding of financial services and products available;
- understand how a client's financial position should be continuously monitored and reviewed;
- apply an understanding of various life circumstances and events in determining and analysing client needs.

ASSUMED KNOWLEDGE AND APPLICATION SKILLS

It is assumed that the candidate already has the knowledge and application skills gained from the study

of the relevant units of papers 1, 2 and 3 of the FPC or an equivalent regulatory benchmark qualification and of the AFPC papers G10, G20, and G60.

METHOD OF ASSESSMENT

Candidates entered for this examination will receive, two weeks before the date of the examination, pre-released examination material which will take the form of a completed fact find. The fact find will contain client information on which questions will be based in the examination.

Please note that if you make a late examination entry for this subject, ie, your entry is received after the closing date for acceptance of entries at normal fees, the CII cannot guarantee that you will receive the pre-released examination material two weeks before the examination.

During the two weeks before the examination, candidates will be advised to study the fact find carefully to identify the likely priorities and needs of the client so that in the examination they can demonstrate their ability to identify client needs, draw up solutions and make recommendations.

On the day of the examination, candidates will be given a clean copy of the fact find and any additional client information not already supplied. Candidates will then have three hours in which to draft a report to the client. Guidance on the format of the report and the issues to be addressed therein will be supplied on the day of the examination.

NOTES

1. The syllabus will be tested on the basis of English law and practice. Where Scots law and practice differ, this will be explained in the primary text.
2. The syllabus printed here will be examined in 1998. Changes may be made to the syllabus to be examined in 1999 and these will be highlighted in the 1999 examination handbook.

1. Tax planning aspects

It will be assumed that candidates have knowledge of the providers, product features, policy benefits and tax treatment of all the protection, savings and investment, pension and mortgage products in the FPC syllabuses and the AFPC syllabuses G10, G20 and G60.

1.1 Marriage, family, divorce

Candidates should have a detailed knowledge of

- the tax and financial planning considerations which arise in marrying, having a family or getting divorced including the need for financial protection, education fees funding and pension provision and making financial provision to meet divorce settlements.

1.2 Personal tax planning

Candidates should be able to

- explain to clients how to plan their income, expenditure and assets in order to utilise tax allowances and minimise the impact of taxation on income and capital gains.

1.3 Estate planning

Candidates should be able to

- explain to clients how to arrange their estate in order to minimise the impact of taxation and allow assets to be passed to chosen beneficiaries during their lifetime and on death.

2. Retirement planning

- 2.1 Pre-retirement planning for employees, self employed and directors
Candidates should understand
- all the available options in making provision for retirement through pension arrangements.
- They should be able to*
- compare the alternative pension options available with different categories of employment (employed, director, self employed).
- 2.2 Pension options on retirement
Candidates should be able to
- describe the various pension options on reaching retirement and explain how these impact on the other aspects of financial planning on retirement.

3. Financial protection in the event of disability, ill health or death

- 3.1 Financing long-term care and protection in the event of disability and ill health
Candidates should be able to
- describe the various methods of providing finance in the event of disability and ill health through suitable insurance products;
 - explain the purpose of these products and how they interrelate with State benefits.
- 3.2 Financial protection for a family in the event of premature death
Candidates should understand
- the various aspects of financial protection for a family in the event of death through the use of life assurance policies and trust arrangements.
- They should be able to*
- explain why different policies and trusts would be recommended.
- 3.3 Business protection for partners and directors in the event of death and disability
Candidates should be able to
- describe the various methods of protecting directors and partners in respect of death and ill health;
 - explain the use of appropriate life assurance products, trusts and health insurance products.

4. Savings and investments

- 4.1 Construction of savings and investment portfolios
Candidates should be able to
- identify appropriate savings and investment vehicles to meet the client's requirements;
 - construct savings and investment portfolios taking into account the client's needs and objectives, attitude to risk, tax position and other relevant personal factors.
- 4.2 Domestic property purchase
Candidates should understand
- the issues concerned with arranging a mortgage including the types of products available and the various costs associated with a house purchase.
- They should be able to*
- recommend the most appropriate mortgage solution for a client's particular circumstances.

5. Client analysis

- 5.1 Client information
Candidates should understand
- the importance of collecting a range of information on the client.
- They should know*
- how this information is to be used in financial planning.
- 5.2 Quantitative and qualitative data
Candidates should be able to
- analyse and evaluate quantitative and qualitative data and present the data in a way the client would understand.
- 5.3 Client's investment risk attitude/opinion
Candidates should be able to
- interpret the client's investment risk attitude/opinion.
- 5.4 Client's existing financial arrangements
Candidates should be able to
- analyse a client's existing financial arrangements and entitlement to State benefits.
- 5.5 Client's priorities and needs
Candidates should be able to
- analyse and interpret from client data a client's priorities, needs and objectives.

6. Financial planning solutions and recommendations

- 6.1 Assessing a client's needs
Candidates should be able to
- assess a client's needs on a quantitative and qualitative basis.
- 6.2 Client's taxation liability
Candidates should be able to
- demonstrate practical ways of reducing a client's taxation liability.
- 6.3 Formulating a plan
Candidates should be able to
- demonstrate how to formulate and present a plan/report.
- 6.4 Financial planning solutions and recommendations
Candidates should be able to
- explain the reasons why solutions are proposed, show how each recommendation relates to the client's needs and objectives as identified in the client analysis;
 - compare alternative solutions that a client could take and identify next steps in the solution process.
- 6.5 Consulting with other professionals
Candidates should be able to
- recognise when to liaise with other professionals in respect of the solution.
- 6.6 Ethical/compliance issues
Candidates should be able to
- identify aspects of a client's case where ethical/compliance issues may arise.
- 6.7 Client's existing arrangements
Candidates should be able to understand
- how to take account of a client's existing arrangements and State benefit entitlement.
- 6.8 Presentation of data
Candidates should be able to
- summarise and present data in a clear and concise format in order to communicate to the client the issues addressed by the solutions and recommendations.
- 6.9 Report writing
Candidates should be able to
- produce a structured report/plan for presentation to a client.

7. Reviewing the client's financial position

- 7.1 Periodic review of client's financial position
Candidates should be able to
- outline a process for a periodic review of a client's financial plans and circumstances.
- 7.2 Review strategy
Candidates should be able to
- set up a monitoring and review strategy with the client at the outset.
- 7.3 Key review periods
Candidates should be able to
- identify key review periods for a client.
- 7.4 Existing financial solutions
Candidates should be able to
- judge when an existing financial solution should be changed.
- 7.5 Changes to client's circumstances
Candidates should know
- how to react with advice when a client's position suddenly changes.
- 7.6 Reviewing a client's position
Candidates should be able to
- demonstrate how a client's position should be reviewed.

H25 HOLISTIC FINANCIAL PLANNING

READING LIST

Note: The examination will test the syllabus provided in this handbook and the syllabus alone. The reading list is provided for guidance only and is not in itself the subject of the examination.

Only the CII publications can be obtained from the CII. For all other publications contact the publisher. It is possible that a book on the reading list may be out of print. Such books can usually be obtained through the public library service.

PRIMARY TEXT

H25 Holistic financial planning, CII/LIA/Taxbriefs, latest edition

REFERENCE WORKS AND ADDITIONAL READING

Allied Dunbar tax handbook, latest edition, A. Foreman, Pitman

The financial adviser's factbook, Gee Publishing, updated regularly

J. Rothschild Assurance tax guide, latest edition, W. Sinclair, Orion Books

Kelly's financial planning for the individual, latest edition, Simon Philip, Gee Publishing

Lamont's Glossary (money and investment dictionary), B. Lamont, Advanced Media Group plc. Latest edition

The pensions factbook, R. Gaines (ed), Gee Publishing, updated regularly

Personal financial planning manual, latest edition, R. Rhodes, Butterworth

EXAMINATION GUIDE AND EXAMINERS' REPORTS

You are strongly advised to study these before the examination. See page 16.

EXAM TECHNIQUE/STUDY SKILLS

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

How to pass exams without anxiety, David Acres, How To Books, 1995

For a more interactive approach, you should consider *Winning the brain game* CD-Rom, CII/Neil Taylor, 1996, available from the CII.

PERIODICALS

Financial Adviser, weekly

Financial Planning Professional, Gee & Co., monthly

Financial Times, daily

Investment Week, weekly

The Journal, CII, bimonthly (sent to CII/SOFA members and available on subscription to non-members)

Money Management, monthly

Money Marketing, weekly

Pensions Management, monthly

Pensions World, monthly

Planned Savings, monthly

Prospect, LIA, monthly

Technical Adviser, SOFA, quarterly

Which?, Consumers' Association, monthly

EXAMINATION CENTRES

The examinations will be held in or close to the following towns in the UK, Channel Islands, and Isle of Man, provided that there are sufficient candidates and that suitable local arrangements can be made. It may be possible to arrange for a sitting outside the UK, Channel Islands and Isle of Man. Please contact the administration office for further details.

Choose the centre most convenient for you from the list below and write its name and code number on the entry form opposite, in the space provided. It is important that you also give a second choice of centre on the entry form

as there may not be sufficient accommodation available in all centres for each examination.

At some centres there may be more candidates than places available. Some centres may not be available in the October session.

If you should ask for a centre which is already full up or for which arrangements cannot be made, you will be offered a transfer to the nearest available centre. If this centre is not convenient, you will be able to choose an alternative (if available) or defer to the next session.

Centre name	Code	Centre name	Code	Centre name	Code
Aberdeen.....	010	Grimsby	037	Newport, Isle of Wight	253
Ayr.....	011	Guernsey.....	090	Northampton	052
Belfast.....	015	Guildford.....	038	Norwich.....	007
Birmingham	005	Halifax	079	Nottingham	053
Blackpool	017	Horsham	082	Oxford	054
Bolton	080	Hull	041	Perth	055
Bournemouth	018	Ilford	042	Peterborough	056
Brighton	020	Inverness	043	Plymouth	057
Bristol	021	Ipswich	044	Portsmouth.....	058
Cambridge	022	Jersey	081	Preston	059
Cardiff.....	024	Kendal.....	076	Reading.....	060
Carlisle	025	Kingston	045	Sevenoaks	252
Chelmsford	026	Leeds.....	006	Sheffield	062
Chester	028	Leicester	046	Shrewsbury.....	063
Coventry	029	Lerwick.....	218	Southampton	064
Croydon.....	030	Lincoln	047	Southend-on-Sea	086
Derby.....	031	Liverpool.....	002	Stoke-on-Trent	065
Douglas	091	Llandudno.....	077	Stornoway.....	250
Dundee	034	London	001	Stratford-upon-Avon	066
Ealing	088	Londonderry	048	Swansea	067
Edinburgh.....	009	Luton & St Albans	049	Swindon	089
Exeter	035	Maidstone	050	Taunton	068
Folkestone.....	087	Manchester	003	Truro.....	070
Glasgow.....	004	Middlesbrough	051	Watford	072
Gloucester.....	036	Newcastle upon Tyne	008	York.....	075

EXAMINATION ENTRY FORM

The following details can be found in the handbook. Please read them in conjunction with these notes:

- entry fees (see page 18)
- entry closing dates (see page 17)
- centres available and their codes (see page 54).

NOTES

- 1 On this form you may only enter for the examination sessions to be held in 1998.
- 2 Specify the papers you wish to enter by ticking the appropriate box(es).
- 3 Specify the centre at which you wish to sit the examination by writing both the centre name and its corresponding code number in the space provided. In case this centre is not available, please specify an alternative centre and code.
- 4 Add up the total number of papers for which you are entering, and the total of the entry fees payable, and insert the figures in the boxes provided. If you are required to pay an additional late fee (see page ii), insert the figure in the box provided.

- 5 Remittances must be in sterling. Cheques must be drawn on a UK bank, be made payable to The Chartered Insurance Institute, and be crossed 'Midland Bank plc'. Please write your name and permanent identity number (PIN), or address if you do not have a PIN, on the reverse.
- 6 Payment by credit card does not alter the terms and conditions of supply as indicated overleaf.
- 7 Make sure that you have signed and dated the declaration overleaf and ticked one of the payment methods.
- 8 If paying by credit card, make sure that the details are correct and that the cardholder has signed the authority.
- 9 After completion, please send this form together with your remittance to:

**The Chartered Insurance Institute
Administration Office
31 Hillcrest Road
South Woodford
London E18 2JP**

STUDY OPTIONS

A separate study options brochure gives details of the following

- Coursebooks and update service
- Correspondence course
- Examination guides and examiners' reports
- Case study workbooks
- Computer-based training and CD-ROM packages
- Audio tapes
- Intensive courses and revision days.

If you do not have a copy of *AFPC study options* with this handbook, you can obtain one free of charge from the administration office on 0181-989 8464.

EXAMINATION ENTRY FORM

AFPC/SOFA 98

SURNAME	<input style="width:100%;" type="text"/>			
FORENAMES IN FULL	<input style="width:100%;" type="text"/>			
DATE OF BIRTH	<input style="width:100%;" type="text"/>	MR/MRS/MISS/MS	<input style="width:100%;" type="text"/>	
JOB TITLE	<input style="width:100%;" type="text"/>			
ADDRESS FOR ALL CORRESPONDENCE	<input style="width:100%;" type="text"/>			
	<input style="width:100%;" type="text"/>			
POSTCODE	<input style="width:100%;" type="text"/>	DAY-TIME TEL.	<input style="width:100%;" type="text"/>	
IS THIS YOUR	HOME <input type="checkbox"/>	OR OFFICE <input type="checkbox"/>	ADDRESS? (please tick)	
EMPLOYER'S NAME	<input style="width:100%;" type="text"/>			
EMPLOYER REGISTERED WITH:	PIA <input type="checkbox"/>	IMRO <input type="checkbox"/>	SIB <input type="checkbox"/>	IBRC <input type="checkbox"/>
OTHER (please specify)	<input style="width:100%;" type="text"/>			

PREVIOUS CONTACT
Have you ever had previous contact with the CII?
YES NO

Please give your CII permanent identity number (PIN) if known

ARE YOU AN LIA MEMBER?
YES NO

Note 1 I wish to sit the following subjects in **1998**
Apr Oct

Note 2	G10 Taxation and trusts		
	G20 Personal investment planning		
	G30 Business financial planning		
	G60 Pensions		
	G70 Investment portfolio manag.		
	G80 Long-term care, life...		
	H15 Supervision and sales manag.		
	H25 Holistic financial planning		

Note 3 at the **examination centre** in

<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>
centre name	code
<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>
alternative centre	code

Note 4

Total number of papers entered	<input style="width:100%;" type="text"/>
Total entry fees at	
£60 per paper (members of SOFA/CII)	£ <input style="width:100%;" type="text"/>
£80 per paper (non-members)	
Additional late fee(s), if applicable	£ <input style="width:100%;" type="text"/>
TOTAL ENCLOSED	£ <input style="width:100%;" type="text"/>

Note 5

I have read this examination handbook and agree to abide by the regulations.

Signed: _____

Date: _____

The Institute reserves the right to publish examination results. Results may be disclosed to the appropriate regulatory body.

CII USE	
Batch	Folio
<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>

METHOD OF PAYMENT

Cash/cheque payable to the Chartered Insurance Institute enclosed

Please debit my/our credit card account with the total amount shown above.

VISA MASTERCARD Expiry date Card number

Card holder's name and address if different from above

Card holder's signature

Date

APPLYING FOR SOFA REGISTRATION/AFFILIATION

NOTES

1 Registered member

To become a registered member, you must hold the FPC or an equivalent benchmark qualification. If you are applying to become registered with SOFA, please complete the questionnaire on the reverse of the application form which will be used as the basis of your entry in the SOFA register.

2 Affiliated subscriber

You do not need to hold a financial planning qualification to become an affiliated subscriber.

3 Subscription fees

The fees for registered members and affiliated subscribers are the same. The subscription year runs from 1 September to 31 August, but the subscription you need to pay when you join depends on which month your application reaches SOFA and whether you are already a member of the CII. If you are a CII member, there is no additional charge in the year you join SOFA, otherwise the fees are:

Sept–Nov 1997: £48 Dec–Feb: £36 March–May: £24

If you come within the Insurance Institute of London area your subscription is £2 higher.

In future years the full subscription will be due on 1 September and you will be invoiced each year in the July issue of the CII's Journal.

4 Tax relief

You can apply for tax relief on SOFA subscription fees. Quote this reference: SAPP/T1644/54/1993/JEM on your tax return.

5 Direct debit mandate

You are required to renew your subscription by direct debit if you have a current account at a bank in the UK. If you do, please complete the direct debiting mandate on page 61 and return it with your application. Your subscription will then, in future, be debited to your bank account automatically when it falls due.

If your office will be paying your future subscriptions for you, attach a separate note to say so. Your first subscription must, however, still accompany your application.

The mandate conforms with the requirements of the clearing banks. Direct debits will be originated on 1 September each year for your annual subscription only. Any change in the rate of subscription will appear in *The Journal* of the CII in sufficient time for you to cancel your mandate if you so wish. You may cancel your mandate at any time simply by notifying the SOFA administration office and your bank. Should a direct debit be originated in error, you may seek immediate reimbursement from your bank under the terms of an indemnity which the CII has lodged with the clearing banks.

6 Make sure you have signed and dated the declaration on page 59 and ticked a payment method.

7 If paying by credit card, make sure that the details are correct and that the card holder has signed the authority.

8 After completion, please send the application form together with your remittance and direct debit mandate, to:

SOFA
31 Hillcrest Road
South Woodford
London E18 2JP

LIST OF LOCAL INSTITUTES

Aberdeen	010	Derby	031	Isle of Man	091	Peterborough	056
Ayrshire	011	Doncaster	032	Jersey	081	Plymouth	057
Bedford & Milton Keynes	014	Dundee	034	Kendal	076	Portsmouth	058
Belfast	015	East Sussex	039	Kingston-upon-Thames	045	Preston	059
Birmingham	005	Edinburgh	009	Leeds	006	Reading	060
Blackburn & Burnley	016	Enfield & Hertford	083	Leicester	046	Sheffield	062
Blackpool	017	Exeter	035	Lincoln	047	Shrewsbury	063
Bolton	080	Folkestone & South Kent	087	Liverpool	002	Southampton	064
Bournemouth	018	Glasgow	004	London	001	Southend-on-Sea	086
Bradford	019	Gloucester	036	Londonderry	048	Stoke-on-Trent	065
Brighton	020	Grimsby	037	Luton & St Albans	049	Stratford-upon-Avon	066
Bristol	021	Guernsey	090	Manchester	003	Swansea	067
Cambridge	022	Guildford	038	Middlesbrough	051	Swindon	089
Canterbury & East Kent	023	Halifax	079	Mid Kent	050	Taunton	068
Cardiff	024	Harrow & Ealing	092	Newcastle upon Tyne	008	Truro	070
Carlisle	025	Horsham & Crawley	082	Northampton	052	Tunbridge Wells	071
Chelmsford	026	Huddersfield	040	North Wales	077	Watford	072
Cheltenham	027	Hull	041	Norwich	007	Wolverhampton	073
Chester	028	Ilford & South West Essex	042	Nottingham	053	Worthing & West Sussex	085
Coventry	029	Inverness	043	Oxford	054	York	075
Croydon	030	Ipswich, Suffolk and N. Essex	044	Perth	055		

APPLICATION FOR REGISTRATION OR AFFILIATION

SOFA REG/AFF 98

SURNAME	<input style="width: 95%;" type="text"/>		<p>PREVIOUS CONTACT Have you ever had any previous contact with the CII? YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>Please give your CII permanent identity number (PIN) if known <input style="width: 95%;" type="text"/></p>
FORENAMES IN FULL	<input style="width: 95%;" type="text"/>		
DATE OF BIRTH	<input style="width: 25%;" type="text"/>	MR/MRS/MISS/MS <input style="width: 25%;" type="text"/>	
JOB TITLE	<input style="width: 95%;" type="text"/>		
ADDRESS FOR ALL CORRESPONDENCE	<input style="width: 95%;" type="text"/>		
	<input style="width: 95%;" type="text"/>		
	<input style="width: 95%;" type="text"/>		
POSTCODE	<input style="width: 25%;" type="text"/>	DAY-TIME TEL. <input style="width: 25%;" type="text"/>	
		FAX. <input style="width: 25%;" type="text"/>	

Have you ever been convicted of, or charged with (but not yet tried) any offence other than motoring? YES NO
You are required to let the CII know if you are convicted of any offence (non-motoring) in the future.

- I wish to become an affiliated subscriber to SOFA *or*
 - I confirm that I meet the requirements to be registered with SOFA and that
 - I hold the CII's Financial Planning Certificate *or*
 - I hold one of the other regulatory benchmark qualifications which I believe should entitle me to registration with SOFA.
- I enclose photocopies of my certificates, authenticated by a Member, Associate or Fellow of SOFA, or a Fellow or Associate of the CII.

The CII local institute I wish to join is _____ (see page 57).

I enclose the sum of £ for my SOFA subscription (see page 57).

DECLARATION

I hereby apply to become a registered member/affiliated subscriber (please delete as appropriate) with the Society of Financial Advisers and a member of the Chartered Insurance Institute and I agree, if admitted, to abide by the code of conduct and guide to good practice and to commit myself, if registered, to an annual programme of continuing professional development.

If at any time I cease to be registered with the Society, I undertake to return any certificate of SOFA registration to the Society.

Signed _____ Date _____

SOFA USE ONLY		
Received		
Admitted		
CB		
DD		

METHOD OF PAYMENT			
<input type="checkbox"/> Cash/cheque payable to the Chartered Insurance Institute enclosed			
<input type="checkbox"/> Please debit my/our credit card account with the total amount shown above.			
VISA	MASTERCARD	Expiry date	Card number
<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 40px;" type="text"/>	<input style="width: 95%;" type="text"/>
Card holder's name and address if different from above			
<input style="width: 95%;" type="text"/>			
Card holder's signature	<input style="width: 95%;" type="text"/>		Date <input style="width: 40px;" type="text"/>

SOFA REGISTER: FOR REGISTERED MEMBERS ONLY

All registered members of SOFA are listed in a register. Only the answers to the questions in **bold type** will be included, with your agreement, on the register: please see question 8. We would also like the further information requested to build a profile of our registered members. Please ignore this questionnaire if you wish to become an affiliated subscriber.

1. As an individual (we are not interested in your company) which body are you regulated by? (Please tick one box only.) If you are not a registered individual under the terms of the Financial Services Act 1986 please tick the 'not applicable' box.

- Chartered Association of Certified Accountants
- Institute of Chartered Accountants in England & Wales
- Institute of Chartered Accountants in Ireland
- Institute of Chartered Accountants in Scotland
- Insurance Brokers Registration Council
- Investment Management Regulatory Organisation
- Law Society (England & Wales)
- Law Society (Northern Ireland)
- Law Society (Scotland)
- Personal Investment Authority
- Securities and Futures Authority
- Securities and Investments Board
- Not applicable

2. Status (please tick one box only)

- IFA – local firm
- IFA – national firm
- Appointed representative – local firm
- Appointed representative – national firm
- Company representative
- Broker consultant
- Life company management
- (may include training, sales, marketing, etc.)
- Solicitor
- Accountant
- Other (please specify) _____

3. Do you advise the general public? Yes No

4. Are you/your employer a member of an IFA network?

Yes No

If yes, which?

- Alexander Beard
- Bankhall Financial Management
- Berkeley Independent Advisers
- Berkeley Wodehouse
- Burns Anderson
- Charterhall Management
- Classic Financial Solutions
- Countrywide

- DBS
- Financial Options
- First Choice
- IFA Network
- Interdependence
- Interlink
- Investment Options
- Kestrel
- M & E
- Mortgage Shops
- Premier Financial Advice
- Summit Financial
- Tomkinson Financial
- Other (please specify) _____

5. How would you describe yourself? (please tick one box only)

- General practitioner
- Specialist
- Not applicable

6. As an individual, what are your areas of practice? (please tick as many as you wish)

- Life assurance
- Pensions
- Investment and savings
- Mortgages
- Health insurance
- Management of investment products (ie, broker funds)
- Other activities (please state) _____

7. When advising clients how is your advice remunerated?

- By commission only
- By fees only
- Both

8. Are you happy for SOFA to include the answers to questions 2, 3, 5 and 7 on the SOFA register?

Yes No

(If no, we will restrict your listing to your name and address.)

DIRECT DEBITING MANDATE FOR FUTURE SOFA SUBSCRIPTIONS

NOTES ON COMPLETION

Renewing your subscription. It is CII/SOFA policy that all new members who have a current account at a bank or building society in the UK should renew their subscriptions by direct debit. Please therefore complete the direct debiting mandate below if you have a UK bank or building society account and return it to the Institute with your application. Your future subscriptions will then be debited to your bank or building society account automatically when due. **Your first subscription**

payment must accompany your application.

The mandate conforms with the requirements of the clearing banks. Direct debits will be originated on **1 September** each year for your annual membership subscription only. Any change in the rate of subscription will appear in *The Journal* in sufficient time for you to cancel your mandate if you so wish.



Instruction to your bank or building society to pay Direct Debits

Originators'
Identification No.
9 9 6 6 4 5

Send this form to

**The Chartered Insurance Institute
31 Hillcrest Road, South Woodford, London E18 2JP.**

Name and full postal address of your bank or building society branch

To: The Manager
.....Bank or Building Society
Address.....
.....
..... Postcode.....

Name(s) of account holder(s)

Branch sort code (from the top right hand corner of your cheque)

	-		-	
--	---	--	---	--

Bank or building society account number

--	--	--	--	--	--	--	--

Permanent Identity Number

Instruction to your bank or building society

Please pay The Chartered Insurance Institute Direct Debits from the account detailed on this instruction subject to the safeguards assured by the Direct Debit Guarantee.

Signature(s) Date

Banks and building societies may not accept Direct Debit instructions from some types of account.

The Direct Debit Guarantee

- This guarantee is offered by all banks and building societies that take part in the Direct Debit scheme. The efficiency and security of the scheme is monitored and protected by your own bank or building society.
- If the amounts to be paid or the payment dates change, you will be told of this in advance by at least 14 days as agreed.
- If an error is made by The Chartered Insurance Institute or your bank or building society, you are guaranteed a full and immediate refund from your branch of the amount paid.
- You can cancel a Direct Debit at any time by writing to your bank or building society. Please also send a copy of the letter to us.



Additional study options for the AFPC

INTENSIVE TRAINING COURSES

G60

If you find it difficult to set aside regular time to study, you should consider our intensive three-day training programme for G60 Pensions. It concentrates on the key areas of the syllabus and on preparing you for the examination. During the programme you will work through a number of case studies and sit a mock examination. The intensive nature of the programme means that there may be additional work in the evenings.

The course provides approximately 18 hours of study time and, to maximise your chances of success, you will need to commit some additional time to studying before attending the course.

£485

REVISION DAYS

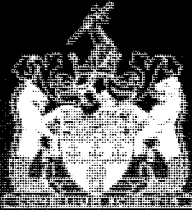
G10, G20, G30, G60, G70, G80, H15

When you have completed your study programme, revision days provide you with an opportunity to

- clarify areas of concern;
- learn what the examiner is looking for;
- discuss the main mistakes made by candidates and how to avoid them;
- identify areas in which you may have a weakness.

The revision days are held in the three weeks leading up to the examination. During the day we concentrate on the key areas of the syllabus and examination techniques.

£95 per subject



For more information
or details of all the
courses available
contact the Academic
Department

Tel: 01732 450888*
Fax: 01732 457062*

or visit the CII's web site
at <http://www.cii.co.uk>

*** From December 1997**
Tel: 0181-989 8464
Fax: 0181-530 3052

STUDY OPTIONS AVAILABLE

Coursebooks

Coursebooks and update
service

Correspondence courses

Computer-based training

Audio tapes (G10 and G60)

Case study workbooks

Examination guides

Examiners' reports

'Winning the brain game'

To order any of these
items, please see the
separate 'Study options'
leaflet



THE CHARTERED INSURANCE INSTITUTE

20 Aldermanbury, London EC2V 7HY
Telephone: 0181-989 8464 • Fax: 0171-726 0131