



The range of professional exams available to financial advisers can seem bewildering. We look at the main areas of study for each qualification so advisers can choose the most appropriate exam.

CHARTERED INSURANCE INSTITUTE

Certificate in Financial Planning

To receive the certificate, advisers have to pass CP1-5. The certificate is open to people of all ages, experience and educational backgrounds.

Covers: Each module covers one area of financial advice, including regulation, investment and pensions. CP5 is a case study on financial planning for clients. Additional modules – CP6-8 – cover mortgages, long-term care insurance and group risks.

CF1 – UK financial services, regulation and ethics

Includes: Study hours: 60, exam format: 100 multiple choice questions, length of exam: two hours, nominal pass mark: 70%

CF2 – Investment and risk

Includes: Study hours: 70, exam format 100 multiple choice questions, length of exam: two hours, nominal pass mark: 70%

CF3 – Financial protection

Includes: Study hours: 40, exam format 50 multiple choice questions, length of exam: one hour, nominal pass mark: 70%

CF4 – Retirement planning

Includes: Study hours: 40, exam format 50 multiple choice questions, length of exam: one hour, nominal pass mark: 70%

CF5 – Integrated financial planning

Includes: Study hours: 70, exam format two case studies, length of exam: two hours, nominal pass mark: 55%

CF6 – Mortgage advice

Includes: Study hours: 70, exam format: 100 multiple choice questions and five scenario-based questions (each comprising five multiple choice questions), length of exam: three hours, nominal pass mark: 70%

CF7 – Lifetime mortgage activities

Includes: Study hours: 60, exam format: multiple choice questions and five scenario-based questions (each comprising five multiple choice questions), length of exam: two hours, nominal pass mark: 70%

CF8 – Long-term care insurance

Includes: Study hours: 60, exam format: multiple choice questions and five scenario-based questions (each comprising five multiple choice questions), length of exam: two hours, nominal pass mark: 70%

WHAT THEY SAY:

- As a holder you will meet the FSA regulatory examination requirements and the 'appropriate' examination standards for financial advisers as published by the FSSC.
- Develops a broad-based knowledge and understanding of core financial planning topics.
- Upon completion you are entitled to apply to use the designation 'CertPFS' – the industry designation for financial advisers
- Provides credits that can count towards completion of the technical qualification, the Diploma in Financial Planning.
- Improves your long-term career prospects by enhancing your range of skills, thereby increasing earning potential and job security.





INSTITUTE OF FINANCIAL SERVICES

Certificate for Financial Advisers (CeFA)

To receive the certificate advisers have to pass four modules on UK financial regulation, investments and risks, retirement planning and protection and assessment of investment advice knowledge.

Modules:

UK Financial Regulation (Module 1):

UK financial regulation is a broad-based module that focuses upon the purpose and structure of the UK financial services structure. The module is split into two units, focusing on the financial services environment and regulation of the environment.

Covers: UK financial services industry structure, financial asset classes, financial services products, financial advice and regular reviews, legal concepts, UK taxation and social security systems, inflation, interest rate volatility, non-tax laws, FSA regulation, FSA's conduct of business rules, anti-money laundering rules, complaints and compensation, Data Protection Act 1998.

Study hours: 40-60 hours, exam format: a one-hour electronic examination for each of the two units.

Investments and Risks (Module 2)

The investments and risks module is split into two units focusing on the principles of investment and investment products.

Covers: Macro environment factors, taxation, investment returns, investors risk, asset allocation, investment planning, tax planning strategies, calculation and procedures, legal framework for providing advice, asset classes, product types, applying suitable investment product solutions.

Study hours: 40-60 hours, exam format: a one-hour electronic examination of each of the two units.

Retirement Planning and Protection syllabus (Module 3)

The retirement planning and protection module is split into two units that focus on the main aim and strategies of retirement planning and the purpose and scope of financial protection.

Covers: Financial protection, life assurance, income protection policies, mortgage-related insurance, retirement planning, tax treatment of pensions, state



pension benefits, pension schemes, investment of pension funds, legislation and taxation.

Study hours: 40-60 hours, exam format: a one-hour electronic examination of each of the two units.

Assessment of Investment Advice Knowledge syllabus (Module 4)

The final knowledge assessment module requires application of the knowledge and understanding of modules one, two and three in order to apply suitable financial solutions within the regulatory and ethical framework.

Covers: UK financial services industry, regulation and ethics, investments and risk, protection, retirement planning.

Study hours: 40-60 hours, exam format: a two-hour electronic examination.

WHAT THEY SAY:

CeFA has been reviewed and updated to meet the requirements of the Financial Services Skills Council. CeFA is accredited by the Qualifications and Curriculum Authority, and is incorporated into the National Qualifications Framework at level three. CeFA is currently being updated to reflect the new pension simplification rules due to be enforced on 6 April 2006. The new syllabus and learning materials will be available for students at this time.





SECURITIES AND INVESTMENT INSTITUTE

IFA Qualification (Investment and Financial Advice)

Candidates take the regulatory paper, which they are required to hold before they can deal with employer's clients. They can then complete the qualification and their firm can seek 'FSA Approved person' status for them.

Modules:

Paper 1 – UK financial services, regulation and ethics

- The ethical framework of financial advice.
- The regulatory and legislative environment in which the UK financial services industry operates.
- Differing client needs, financial objectives and the considerations in giving advice including risk, advantages and disadvantages, taxation implications, flexibility, portfolio planning and charging structures.
- The investor protection regime, complaints procedures and compensation limits.

Study hours: 70-90, exam format: multiple choice questions, length of exam: 1.5 hours.

Paper 2 – Investment and risk

- The economic environment and the economic context of financial advice.
- Taxation treatment of investments and savings products and tax planning for the individual.
- The characteristics of a range of investments and savings products: the range of options within any investment or product class, the risk/return implications, advantages and disadvantages of each, and the associated charging structures.
- Ethical aspects of investment.

Study hours: 70-90, exam format: multiple choice questions, length of exam: 1.5 hours.

Paper 3 – Retirement planning and protection

- Strategies for retirement planning.
- Tax treatment of pensions.
- The characteristics of different pensions types.
- Other options for retirement provision.
- The main types of financial protection.
- The available state benefits.
- Tax and trusts.

Study hours: 70-90, exam format: multiple choice questions, length of exam: 1.5 hours.

Paper 4 – Investment and financial advice.

- Interpret a case history from given client information.
- Identify and respond to main drivers underpinning a client's financial needs and objectives.
- Recommend suitable financial advice from client information.
- Critically appraise an existing financial portfolio and recommend changes in accordance with defined financial objectives and given economic circumstances.

Study hours: 90-110, exam format: multiple choice questions based on three case studies, length of exam: 2.5 hours.

WHAT THEY SAY:

The Certificate in Investment and Financial Advice (IFA Qualification) is a practitioner-led programme designed for individuals giving financial advice on savings, investment, pension planning and life and health protection to the public. We believe that the successful completion of the investment and financial advice qualification is a key yardstick by which practitioners can demonstrate their commitment to maintaining and enhancing knowledge, skills and experience.





INSTITUTE OF FINANCIAL PLANNING

Certified Financial Planner:

To become a CFP Licensee, candidates must have a total of three year's relevant experience in Financial Planning, plus a successful pass in the CFP Licensee assessment. They must also demonstrate 30 hours relevant CPD per annum and sign up to the Institute's code of ethics and practice standards.

Entry requirements: Candidates must hold specific professional qualifications to be eligible to use the CFP designation. These include: one of the following: LLB, ACA, ACCA, CA, MSI (dip); or specific examination passes in: AFPC, PIC, FLIA (dip), ACIB or ATII, AIA plus another specific examination pass. For a full qualification matrix, see the Institute of Financial Planning website on www.financialplanning.org.uk.

Assessment: Candidates need to complete a financial plan that meets the Institute's standards. The plan, once received will be assessed against those standards by two assessors and should take approximately six weeks. A candidate is allowed three attempts before they have to start a new case study

The Institute of Financial Planning has devised two options for candidates wishing to attain their CFP Licence:

Option A: CFP Preparation Day

Overview: Candidates work through the CFP Licence Manual and get a clear understanding of the standards that need to be met when they submit their case study for assessment.

Option B: CFP Fast-track course

Candidates join a four-day intensive training group

of five to 10 candidates. Together with qualified trainers and assessors, candidates work through the CFP Licence Manual together and produce a financial plan. This is then assessed on the fifth day so that the result is hopefully known on the sixth working day.

Having successfully met the standards when having a case study assessed, candidates are asked to complete a declaration form before being issued with a licence. Successful candidates receive designatory letters and trademark. They will also appear in the CFP Registry which is both online and in paper form. This is marketed to the media and consumers who are looking for professional planners.

WHAT THEY SAY:

The CFP (R) and Certified Financial Planner™ trademarks are internationally recognised symbols of a commitment to the adoption of certain standards of education, continuing professional development and ethical behaviour.

A CFP licensee is a professionally qualified financial planner who has successfully fulfilled a rigorous set of additional requirements to qualify for the international CFP Council's licence.

As a CFP licensee, you will find yourself at the top of your profession in a position that will enable you to offer a very valuable and profitable service to your clients.

Fellow of the Institute of Financial Planning:

To become a Fellow of the Institute of Financial Planning, candidates must have a total of five years relevant experience in financial planning, plus a successful pass in the Fellowship examination.

