

DIPLOMA AND RDR QUALIFICATIONS GAP-FILL

Introduction

This document outlines qualifications gap-fill requirements for holders of the Securities Industry / SII / CISI Diploma seeking to comply with transition arrangements for RDR purposes. The list has been compiled from a series of careful analyses of the combination of Diploma units selected by firms for their employees in the retail advice sector. This is shown in summary form below.

Anyone who has a further enquiry about RDR should contact the CISI through the dedicated email address rdr@cisi.org

For the Diploma, where practical, the existing provision for PCIAM qualification gap-fill has been factored in. This applies in all cases where PCIAM is one of the Diploma components used, and this significantly reduces the anticipated number of other individual gap-fill elements required. Where a specific Diploma combination fails to address the scope of the new RDR exam standards by a whole unit, training courses have been recommended, these will need to be studied at Level 4. Alternatively the PCIAM training course and gap-fill can be used.

Matrix of qualifications gap-fill requirements for Diploma holders seeking RDR compliance

CORE

Diploma Combination (RE)	Regulation & Ethics (IPR)	Investment Principles & Risk	Personal Taxation	Securities (Sec)	Derivatives (Der)	Retail Investment Products and Friendly Society Tax-Exempt Policies
RCO/ PCIAM/ FM	PCIAM gap-fill	✓	PCIAM gap-fill	✓	PCIAM gap-fill	PCIAM gap-fill
RCO/ PCIAM/ IFS	PCIAM gap-fill	PCIAM gap-fill	PCIAM gap-fill	✓	PCIAM gap-fill	PCIAM gap-fill
RCO/ PCIAM/ IAN	PCIAM gap-fill	✓	PCIAM gap-fill	✓	PCIAM gap-fill	PCIAM gap-fill
RCO/ PCIAM/ Finmar	PCIAM gap-fill	✓	PCIAM gap-fill	✓	✓	PCIAM gap-fill
RCO/ PCIAM/ FD	PCIAM gap-fill	PCIAM gap-fill	PCIAM gap-fill	PCIAM gap-fill	✓	PCIAM gap-fill
RCO/ PCIAM/ BFI	PCIAM gap-fill	PCIAM gap-fill	PCIAM gap-fill	PCIAM gap-fill	PCIAM gap-fill	PCIAM gap-fill
PCIAM/ FM/ IFS	PCIAM gap-fill	✓	PCIAM gap-fill	✓	PCIAM gap-fill	PCIAM gap-fill
PCIAM/ FM/ Finmar	PCIAM gap-fill	✓	PCIAM gap-fill	✓	✓	PCIAM gap-fill
PCIAM/ FM/ IAN	PCIAM gap-fill	✓	PCIAM gap-fill	✓	PCIAM gap-fill	PCIAM gap-fill
PCIAM/ IFS/ IAN	PCIAM gap-fill	✓	PCIAM gap-fill	✓	PCIAM gap-fill	PCIAM gap-fill
RCO/ IFS/ FM	RE gap-fill	IPR gap-fill	Level four course	Sec gap-fill	Level four course	Level five course
RCO/ IFS/ IAN	RE gap-fill	IPR gap-fill	Level four course	Sec gap-fill	Level four course	Level five course
RCO/ BFI/ FD	RE gap-fill	IPR gap-fill	Level four course	Sec gap-fill	Der gap-fill	Level five course
FM/ IAN/ IFS	Level four course	IPR gap-fill	Level four course	Sec gap-fill	Level four course	Level five course

SPECIALIST (where appropriate)

Diploma Units

RCO Regulation & Compliance	PCIAM	Private Client Investment Advice & Management
FM Fund Management	IFS	Interpretation of Financial Statements
IAN Investment Analysis	Finmar	Financial Markets (Masters)
FD Financial Derivatives	BFI	Bonds & Fixed Interest Markets

✓ illustrates that there is no gap-fill needed

1. Combinations of RCO, PCIAM, and one other unit

Based on the take-up of Diploma units, the two most consistently popular combinations are RCO/ PCIAM/Fund Management (FM) and RCO/ PCIAM/ Interpretation of Financial Statements (IFS). More recently, the combinations of RCO/ PCIAM/Investment Analysis (IAN) and RCO/ PCIAM/ FinMar have each accounted for around 15% of Diploma awards. Combinations including Bonds & Fixed Interest Markets (BFI) or Financial Derivatives (FD) are chosen more rarely. These 6 combinations easily represent half of all Diplomas awarded and probably account for the majority of Retail advisers qualified through the Diploma route, since PCIAM is of less utility within wholesale.

Some of the identified gaps in RCO (economic, regulatory and retail advice background, legal entities such as trusts) are addressed within PCIAM. Gaps identified within PCIAM are well-documented and some of these will have been covered by FM, IFS, IAN or FinMar. Therefore the remaining qualifications gap-fill gaps are:

RCO/ PCIAM/ FM

Same core gaps as PCIAM for Regulation & Ethics and Personal Taxation.

Where appropriate, the same specialist gaps as PCIAM for Derivatives and Retail Investment Products and Friendly Society Tax-Exempt Policies.

RCO/ PCIAM/ IFS

Same core gaps as PCIAM for Regulation & Ethics, Investment Principles & Risk, and Personal Taxation.

Where appropriate, the same specialist gaps as PCIAM for Derivatives and Retail Investment Products and Friendly Society Tax-Exempt Policies.

RCO/ PCIAM/ IAN

Same core gaps as PCIAM for Regulation & Ethics, and Personal Taxation.

Where appropriate, the same specialist gaps as PCIAM for Derivatives and Retail Investment Products and Friendly Society Tax-Exempt Policies.

RCO/ PCIAM/ FinMar

Same core gaps as PCIAM for Regulation & Ethics, and Personal Taxation.

Where appropriate, the same specialist gaps as PCIAM for Retail Investment Products and Friendly Society Tax-Exempt Policies.

RCO/ PCIAM/ FD

Same core gaps as PCIAM for Regulation & Ethics, Investment Principles & Risk, and Personal Taxation.

Where appropriate, the same specialist gaps as PCIAM for Securities and Retail Investment Products and Friendly Society Tax-Exempt Policies.

RCO/ PCIAM/ BFI

Same core gaps as PCIAM for Regulation & Ethics, Investment Principles & Risk, and Personal Taxation.

Where appropriate, the same specialist gaps as PCIAM for Securities, Derivatives, and Retail Investment Products and Friendly Society Tax-Exempt Policies.

2. Combinations of RCO plus two units (ie, excluding PCIAM)

These are shown in detail as they are not covered in the PCIAM gap analysis (because PCIAM has not been taken).

RCO/ IFS/ FM

RCO/ IFS/ IAN

RCO/ BFI/ FD

In the absence of PCIAM, the gaps will be bigger and more specific to each combination. Partly this is because the scope of PCIAM is unique in extending beyond technical content into areas of regulation which happen to feature in the RDR standards; its absence means that the gap-fill for RCO is consequently larger. Therefore, the same Regulatory qualifications gap-fill will be required for all Diploma combinations in this section:

Level 4 RDR exam standards: Financial Services, Regulation & Ethics gap-fill for RCO (where PCIAM has not been attained)

Syllabus gaps	Detail	Recommendations
Demonstrate an understanding of the UK financial services industry, in its European and global context	The role of government – economic and industrial policy, regulation, taxation and social welfare The function and operation of financial services within the wider economy	Option 1 is the CISI's dedicated 'Regulation & Ethics' professional refresher e-learning unit Option 2 is an e-based seminar covering regulation and ethics from a CISI endorsed provider or a firm based seminar of at least one hour's duration
Demonstrate an understanding of the regulation of financial services	Role of HM Treasury and the Bank of England The role of other regulating bodies such as the Competition Commission, the Office of Fair Trading, the Pensions Regulator, the Information Commissioner	
Demonstrate the ability to apply the principles and rules as set out in the regulatory framework	Data protection including data security	
Demonstrate the ability to apply the regulatory advice framework in practice for the consumer	Clients' cancellation rights (COBS 15)	
Demonstrate an understanding of legal concepts and considerations relevant to financial advice	Legal persons and powers of attorney Basic law of contract and agency Ownership of property Insolvency and bankruptcy Wills and intestacy Use of trusts: - The main types of trusts and their uses - How to create and administer trusts	
Demonstrate an understanding of how the retail consumer is served by the financial services industry	Obligations towards consumers and their perception of financial services Consumers' main financial needs and how they are prioritised: - Managing debt - Budgeting and borrowing, including house purchase - Protection - Saving and investing - Retirement - Estate planning and tax planning How these needs are met: - Mortgages and loans - Life and health insurance - Savings and investments - State benefits - The main types of pension provision	Option 1 is the CISI IntegrityMatters Option 2 is an e-based seminar covering ethics and integrity from a CISI endorsed provider or a firm based seminar of at least one hour's duration
Demonstrate the ability to apply the Code of Ethics and professional standards to business behaviours of individuals	The over-arching Code of Ethics The professional principles and values on which the Code is based Identifying ethical dilemmas The steps involved in managing ethical dilemmas	
Demonstrate an ability to critically evaluate the outcomes that distinguish between ethical and compliance driven behaviours	Typical behavioural indicators - positive and negative The outcomes which may result from behaving ethically - for the industry, the firm, individual advisers and consumers The outcomes which may result from limiting behaviour to compliance with the rules - for the industry, firm, individual advisers and consumers	

In addition to the regulatory gap-fill, the technical components for each combination are:

RCO/ IFS/ FM

Level 4 RDR exam standards:

Investment Principles & Risk

Syllabus gaps

Demonstrate the ability to analyse the characteristics, inherent risks, behaviours and relevant tax considerations of investment products

Detail

Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs)
Real Estate Investment Trusts (REITs) and other property based products
Individual Savings Accounts (ISAs) and Child Trust Funds (CTFs)
National Savings & Investments (NS&I)
Venture Capital Trusts (VCTs) and Enterprise Investment Schemes (EISs) - basic structures and uses
Broker funds and distributor influenced funds (DIFs)

Recommendations

Option 1 is the CISI's 'Investment Principles and Risk' professional refresher e-learning unit

Option 2 is an e-based seminar covering 'Investment Principles and Risk' from a CISI endorsed provider or a firm based seminar of at least one hour's duration

Option 3 is a pass in the full level 3 Investment Management Certificate from the CFA UK

Demonstrate an ability to apply the investment advice process

Know your client requirements:
Explain the investment advice process
Establish client relationships, capability and circumstances including assets and debts
Agree and prioritise needs and wants
Agree investment objectives, growth, income, time horizons, debt and credit management and repayment
Determine and agree risk profile - objective and subjective factors
Assess affordability and other suitability considerations, ethical, social responsibility and religious preferences
Agree strategy and rationale to achieve the objectives
Agree benchmark/performance measures and review process

Asset allocation:
Alignment with client risk profile and requirements
Diversification and correlation benefits
Accumulation and decumulation

Securities

Syllabus gaps

Demonstrate an understanding of the securities market structure, features, regulatory and trading environment

Detail

Markets for trading: Equities, Government bonds, Corporate bonds
Other trading venues: Multilateral Trading Facilities (MTFs), Systematic Internalisers, Dark pools
International Markets: Developed Markets, Emerging Markets, Foreign Exchange Market, Structure and Access considerations

Recommendations

Option 1 is RDR course 'Securities' from a CISI endorsed or accredited training provider or a seminar at a firm's premises (full day)

Option 2 is a level 3 Securities exam preferably passed since 2008

Option 3 is a pass in the full level 3 Investment Management Certificate from the CFA UK and additional reading available by emailing rdr@cisi.org

Demonstrate an ability to apply dealing principles and practice relevant to client investment activity

Dealing - domestic markets, rules and principles
Best Execution, Aggregation and Allocation, Front running
International markets - main differences in principles and practice

Demonstrate an understanding of clearing, settlement and custody principles and practice relevant to client investment activity

Clearing and central counterparty - UK process, duties, risks
Settlement: UK process, International Central Securities Depositories (CSDs)
Custody of assets and client money
Relevance and impact of corporate actions

RCO/ IFS/ FM continued

Personal Taxation - entire unit -

Option 1 is to pass the relevant exam offered by the CII (unit R03)

Option 2 is to take the level 4 CII training course as if preparing for the R03 exam

Option 3 is to take the level 4 training course for Investment, Risk and Taxation

Derivatives - entire unit -

Either take the CISI level 4 training course as if preparing for the exam, or prepare for and pass the CISI level 4 exam

Retail Investment Products and Friendly Society Tax-Exempt Policies - entire unit -

Take the level 5 Private Client unit (IAD) training course as if preparing for the exam

RCO/ IFS/ IAN

Level 4 RDR exam standards:

Investment Principles & Risk

Syllabus gaps

Demonstrate the ability to analyse the characteristics, inherent risks, behaviours and relevant tax considerations of investment products

Detail

Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs)
Real Estate Investment Trusts (REITs) and other property based products
Venture Capital Trusts (VCTs) and Enterprise Investment Schemes (EISs) - basic structures and uses
Individual Savings Accounts (ISAs) and Child Trust Funds (CTFs)
National Savings & Investments (NS&I)
Broker funds and distributor influenced funds (DIFs)
Investment strategy based products:
- Hedge funds and funds of hedge funds
- Absolute return funds
- Structured products - income and capital growth, structure and analysis
- With profit funds - main principles

Recommendations

Option 1 is the CISI's 'Investment Principles and Risk' professional refresher e-learning unit

Option 2 is an e-based seminar covering 'Investment Principles and Risk' from a CISI endorsed provider or a firm based seminar of at least one hour's duration

Option 3 is a pass in the full level 3 Investment Management Certificate from the CFA UK

Demonstrate an understanding of the merits and limitations of the main investment theories

Basics of behavioral finance - market and individual behaviours

Demonstrate an ability to apply the investment advice process

Know your client requirements:
- Explain the investment advice process
- Establish client relationships, capability and circumstances including assets and debts
- Agree and prioritise needs and wants
- Agree investment objectives, growth, income, time horizons, debt and credit management and repayment
- Determine and agree risk profile - objective and subjective factors
- Assess affordability and other suitability considerations, ethical, social responsibility and religious preferences
- Agree strategy and rationale to achieve the objectives
- Agree benchmark/performance measures and review process

Asset allocation:

- Alignment with client risk profile and requirements
- Diversification and correlation benefits
- Accumulation and decumulation

Investment Principles & Risk continued

Syllabus gaps

Demonstrate an understanding of the principles of investment planning

Detail

Asset allocation:
- Stochastic modeling
- Strategic and tactical asset allocation

Portfolio construction:
- Stock and fund selection
- Diversification by sector, geographical area and currency
- Main fund management strategies and styles
- Costs, charges, Total Expense Ratios (TERs),
- Portfolio Turnover Ratios (PTRs)
- Selection of products, tax wrapper and services
- Provider selection and due diligence
- Recommendations and suitability

Wrap and other platforms:

- Concept and uses
- Benefits and risks
- Costs/charges

Recommendations

Option 1 is the CISI's 'Investment Principles and Risk' professional refresher e-learning unit

Option 2 is an e-based seminar covering 'Investment Principles and Risk' from a CISI endorsed provider or a firm based seminar of at least one hour's duration

Option 3 is a pass in the full level 3 Investment Management Certificate from the CFA UK

Demonstrate an ability to analyse the performance of investments

Portfolio performance:
- Methods of evaluating portfolio performance
- Selection and use of benchmarks
- New money and timing factors

Portfolio review and administration:
- Changes in client circumstances
- Changes in financial environment
- New products and services available
- Maintenance of products and services
- Use of external services/benchmarking
- Rebalancing

Securities

Syllabus gaps

Demonstrate an understanding of the securities market structure, features, regulatory and trading environment

Detail

Markets for trading: Equities, Government bonds, Corporate bonds
Other trading venues: Multilateral Trading Facilities (MTFs), Systematic Internalisers, Dark pools
International Markets: Developed Markets, Emerging Markets, Foreign Exchange Market, Structure and Access considerations

Recommendations

Option 1 is RDR course 'Securities' from a CISI endorsed or accredited training provider or a seminar at a firm's premises (full day)

Option 2 is a level 3 Securities exam preferably passed since 2008

Option 3 is passes in the full level 3 Investment Management Certificate from the CFA UK and additional reading available by emailing rdr@cisi.org

Demonstrate an ability to apply dealing principles and practice relevant to client investment activity

Dealing - domestic markets, rules and principles, Best Execution, Aggregation and Allocation, Front running
International markets - main differences in principles & practice

Demonstrate an understanding of clearing, settlement and custody principles and practice relevant to client investment activity

Clearing and central counterparty - UK process, duties, risks
Settlement: UK process, International Central Securities Depositories (CSDs)
Custody of assets and client money
Relevance and impact of corporate actions

Personal Taxation - entire unit -

Derivatives - entire unit -

Retail Investment Products and Friendly Society Tax-Exempt Policies - entire unit -

Option 1 is to pass the relevant exam offered by the CII (unit R03)

Option 2 is to take the level 4 CII training course as if preparing for the R03 exam

Option 3 is to take the level 4 training course for Investment, Risk and Taxation

Either take the CISI level 4 training course as if preparing for the exam, or prepare for and pass the CISI level 4 exam

Take the level 5 Private Client unit (IAD) training course as if preparing for the exam

Level 4 RDR exam standards:

Investment Principles & Risk

Syllabus gaps

Demonstrate the ability to analyse the characteristics, inherent risks, behaviours and relevant tax considerations of investment products

Detail

The advantages and disadvantages of direct investment in securities and assets compared to indirect investment through collectives and other products

The main types and use of indirect investment products:

Investment Structures

- Collective investment funds - onshore and offshore
- Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs)
- Real Estate Investment Trusts (REITs) and other property based products
- Venture Capital Trusts (VCTs) and Enterprise Investment Schemes (EISs) - basic structures and uses
- Individual Savings Accounts (ISAs) and Child Trust Funds (CTFs)
- National Savings & Investments (NS&I)
- Broker funds and distributor influenced funds (DIFs)

Investment strategy based products

- Hedge funds and funds of hedge funds
- Absolute return funds
- Structured products - income and capital growth, structure and analysis
- With profit funds - main principles

Recommendations

Option 1 is the CISI's 'Investment Principles and Risk' professional refresher e-learning unit

Option 2 is an e-based seminar covering 'Investment Principles and Risk' from a CISI endorsed provider or a firm based seminar of at least one hour's duration

Option 3 is passes in the full level 3 Investment Management Certificate from the CFA UK

Demonstrate an understanding of the merits and limitations of the main investment theories

Basics of behavioral finance - market and individual behaviours

Demonstrate an ability to apply the investment advice process

Know your client requirements:

- Explain the investment advice process
- Establish client relationships, capability and circumstances including assets and debts
- Agree and prioritise needs and wants
- Agree investment objectives, growth, income, time horizons, debt and credit management and repayment
- Determine and agree risk profile - objective and subjective factors
- Assess affordability and other suitability considerations, ethical, social responsibility and religious preferences
- Agree strategy and rationale to achieve the objectives
- Agree benchmark/performance measures and review process

Asset allocation:

- Alignment with client risk profile and requirements
- Diversification and correlation benefits
- Accumulation and decumulation

Investment Principles & Risk continued

Syllabus gaps

Demonstrate an understanding of the principles of investment planning

Detail

Asset allocation:

- Stochastic modeling
- Strategic and tactical asset allocation

Portfolio construction:

- Stock and fund selection
- Diversification by sector, geographical area and currency
- Main fund management strategies and styles
- Costs, charges, Total Expense Ratios (TERs),
- Portfolio Turnover Ratios (PTRs)
- Selection of products, tax wrapper and services
- Provider selection and due diligence
- Recommendations and suitability

Wrap and other platforms:

- Concept and uses
- Benefits and risks
- Costs/charges

Recommendations

Option 1 is the CISI's 'Investment Principles and Risk' professional refresher e-learning unit

Option 2 is an e-based seminar covering 'Investment Principles and Risk' from a CISI endorsed provider or a firm based seminar of at least one hour's duration

Option 3 is passes in the full level 3 Investment Management Certificate from the CFA UK

Demonstrate an ability to analyse the performance of investments

Portfolio performance:

- Methods of evaluating portfolio performance
- Selection and use of benchmarks
- New money and timing factors

Portfolio review and administration:

- Changes in client circumstances
- Changes in financial environment
- New products and services available
- Maintenance of products and services
- Use of external services/benchmarking
- Rebalancing

Securities

Syllabus gaps

Demonstrate an understanding of the securities market structure, features, regulatory and trading environment

Detail

Markets for trading: Equities, Government bonds, Corporate bonds

Other trading venues: MTFs, Systematic Internalisers, Dark pools

International Markets: Developed Markets, Emerging Markets, Foreign Exchange Market, Structure and Access considerations

Recommendations

Option 1 is a full-day 'Securities' seminar from a CISI endorsed or accredited training provider or a seminar at a firm's premises (full day)

Option 2 is a level 3 Securities exam preferably passed since 2008

Option 3 is passes in the full level 3 Investment Management Certificate from the CFA UK and additional reading available by emailing rdr@cisi.org

Demonstrate an ability to apply dealing principles and practice relevant to client investment activity

Dealing - domestic markets, rules and principles, Best Execution, Aggregation and Allocation, Front running
International markets - main differences in principles & practice

Demonstrate an understanding of clearing, settlement and custody principles and practice relevant to client investment activity

Clearing and central counterparty - UK process, duties, risks
Settlement: UK process, International CSDs
Custody of assets and client money
Relevance and impact of corporate actions

Personal Taxation - entire unit -

Derivatives -

There is one general gap relating to commodity derivatives – price discovery, instruments/ contracts, markets and trading venues, and other unique factors such as physical settlement and delivery

Retail Investment Products and Friendly Society Tax-Exempt Policies - entire unit -

Option 1 is to pass the relevant exam offered by the CII (unit R03)

Option 2 is to take the level 4 CII training course as if preparing for the R03 exam

Option 3 is to take the level 4 training course for Investment, Risk and Taxation

Contact the CISI to discuss appropriate ways to cover this gap

Take the level 5 Private Client unit (IAD) training course as if preparing for the exam

3. Combinations of PCIAM plus two other units (except RCO)

There are four combinations in this category, each accounting for 3-7% of Diploma awards:

PCIAM/ FM/ IFS

PCIAM/ FM/ Finmar

PCIAM/ FM/ IAN

PCIAM/ IFS/ IAN

The base requirement for qualifications gap-fill is the same as for PCIAM; however this requirement is partially reduced where some CPD items have already been addressed within the other Diploma units examined.

PCIAM/ FM/ IFS

Same core gaps as PCIAM for Regulation & Ethics, and Personal Taxation.

Where appropriate, the same specialist gaps as PCIAM for Derivatives and Retail Investment Products and Friendly Society Tax-Exempt Policies.

PCIAM/ FM/ Finmar

Same core gaps as PCIAM for Regulation & Ethics, and Personal Taxation.

Where appropriate, the same specialist gaps as PCIAM for Retail Investment Products and Friendly Society Tax-Exempt Policies.

PCIAM/ FM/ IAN

Same core gaps as PCIAM for Regulation & Ethics, and Personal Taxation.

Where appropriate, the same specialist gaps as PCIAM for Derivatives and Retail Investment Products and Friendly Society Tax-Exempt Policies.

PCIAM/ IFS/ IAN

Same core gaps as PCIAM for Regulation & Ethics, and Personal Taxation.

Where appropriate, the same specialist gaps as PCIAM for Derivatives and Retail Investment Products and Friendly Society Tax-Exempt Policies.



4. Combinations lacking either RCO or PCIAM

8% of Diploma awards comprise Fund Management, Investment Analysis and Interpretation of Financial Statements. While this combination is more wholesale oriented, it is possible that some retail advisers may have taken it in addition to other qualifications (probably at Level 3). The gap-fill CPD below assumes no other relevant qualifications held:

FM/ IAN/ IFS

Level 4 RDR exam standards:

Investment Principles & Risk

Syllabus gaps

Demonstrate the ability to analyse the characteristics, inherent risks, behaviours and relevant tax considerations of investment products

Detail

The advantages and disadvantages of direct investment in securities and assets compared to indirect investment through collectives and other products

The main types and use of indirect investment products:

Investment Structures

- Collective investment funds - onshore and offshore
- Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs)
- Real Estate Investment Trusts (REITs) and other property based products
- Venture Capital Trusts (VCTs) and Enterprise Investment Schemes (EISs) - basic structures and uses
- Individual Savings Accounts (ISAs) and Child Trust Funds (CTFs)
- National Savings & Investments (NS&I)
- Broker funds and distributor influenced funds (DIFs)

Investment strategy based products

- Hedge funds and funds of hedge funds
- Absolute return funds
- Structured products - income and capital growth, structure and analysis
- With profit funds - main principles

Recommendations

Option 1 is the CISI's 'Investment Principles and Risk' professional refresher e-learning unit

Option 2 is an e-based seminar covering 'Investment Principles and Risk' from a CISI endorsed provider or a firm based seminar of at least one hour's duration

Option 3 is passes in the full level 3 Investment Management Certificate from the CFA UK

Demonstrate an ability to apply the investment advice process

Know your client requirements:

- Explain the investment advice process
- Establish client relationships, capability and circumstances including assets and debts
- Agree and prioritise needs and wants
- Agree investment objectives, growth, income, time horizons, debt and credit management and repayment
- Determine and agree risk profile - objective and subjective factors
- Assess affordability and other suitability considerations, ethical, social responsibility and religious preferences
- Agree strategy and rationale to achieve the objectives
- Agree benchmark/performance measures and review process

Demonstrate an understanding of the principles of investment planning

Wrap and other platforms:

- Concept and uses
- Benefits and risks
- Costs/charges

Securities

Syllabus gaps

Demonstrate an understanding of the securities market structure, features, regulatory and trading environment

Demonstrate an ability to apply dealing principles and practice relevant to client investment activity

Demonstrate an understanding of clearing, settlement and custody principles and practice relevant to client investment activity

Detail

Markets for trading: Equities, Government bonds, Corporate bonds

Other trading venues: Multilateral Trading Facilities (MTFs), Systematic Internalisers, Dark pools

International Markets: Developed Markets, Emerging Markets, Foreign Exchange Market, Structure and Access considerations

Dealing - domestic markets, rules and principles, Best Execution, Aggregation and Allocation, Front running

International markets - main differences in principles and practice

Clearing and central counterparty - UK process, duties, risks

Settlement: UK process, International Central Securities Depositories (CSDs)

Custody of assets and client money

Relevance and impact of corporate actions

Recommendations

Option 1 is RDR course 'Securities' from a CISI endorsed or accredited training provider or a seminar at a firm's premises (full day)

Option 2 is a level 3 Securities exam preferably passed since 2008

Option 3 is passes in the full level 3 Investment Management Certificate from the CFA UK and additional reading available by emailing rdr@cisi.org

Financial Regulation & Ethics - entire unit -

Either take the CISI level 4 training course as if preparing for the exam, or prepare for and pass the CISI level 4 exam

Personal Taxation - entire unit -

Option 1 is to pass the relevant exam offered by the CII (unit R03)

Option 2 is to take the level 4 CII training course as if preparing for the R03 exam

Option 3 is to take the level 4 training course for Investment, Risk and Taxation

Either take the CISI level 4 training course as if preparing for the exam, or prepare for and pass the CISI level 4 exam

Take the level 5 Private Client unit (IAD) training course as if preparing for the exam

Derivatives - entire unit -

Retail Investment Products and Friendly Society Tax-Exempt Policies - entire unit -

“The results of our robust and diligent mapping analysis reflects the high standards of our qualifications which are updated annually by a dedicated panel of practitioners. We believe the small structured learning remnant can be achieved very cost effectively”

Simon Culhane, Chartered FCSI, Chief Executive, Chartered Institute for Securities & Investment

CISI OFFICES IN

COLOMBO

DUBAI

DUBLIN

EDINBURGH

LONDON

MUMBAI

SINGAPORE

Diploma mapping

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