

Qualifications

Last updated Jan 2015

Question:

I am a new entrant to the industry. What CISI qualifications can I take?

Answer:

The CISI recommends the level 4 **Investment Advice Diploma**.

Question:

What would I have to do if I was an existing adviser and have taken no exams and was grandfathered in?

Answer:

If you were authorised by the UK regulator prior to June 2009, and wish to return to the sector, you can take the Investment Advice Diploma, PCIAM or the CISI Level 6 Diploma.

Question:

How can I find out if the exams I have passed are sufficient or if I need to take further exams?

Answer:

Acceptable CISI qualifications are:

Level 7 Chartered Wealth Manager Qualification (post 2010)

Level 4 Investment Advice Diploma

Investment Advice Certificate and gap-fill

CISI Diploma and gap-fill

LSE stock exchange exams (3 or 4 exams or both Stock Exchange Practice and Techniques of Investment) and gap-fill

MSI Dip and gap-fill

And if you meet the entry criteria:

PCIAM and gap-fill

Chartered Wealth Manager Qualification (pre 2010) and gap-fill

Question:

What is the timescale for achieving the RDR-compliant qualifications?

Answer:

New entrants have 30 months from when they start the role (working under supervision) to achieve an RDR-compliant qualification.

Question:

I am a new entrant with level 3 qualifications?

Answer:

Level 3 qualifications are no longer valid. To advise retail clients a level 4 or above qualification will be required.

Question:

I took my exams a long time ago. What assistance will the CISI provide to help me pass PCIAM?

Answer:

The CISI has Accredited Training Providers who can assist. A revision technique seminar is also available online, cisi.org/study.

Question:

Are there eligibility requirements for PCIAM?

Answer:

Please see the **entry requirements** for PCIAM as you may be able to take the qualification, but there are specific entry requirements.

Question:

What is the position of those advisers who are level 6 but have not completed the PCIAM unit within their Diploma – do they meet level 4 RDR requirements without PCIAM?

Answer:

If advisers have completed the full CISI Diploma with units recommended by the firm, then no additional qualifications are needed under the RDR, but qualification gap-fill will be required.

Question:

What are Level 4 qualifications?

Answer:

Level 4 qualifications are at a higher standard than the current benchmark Level 3. They involve greater understanding and require considerably more hours of learning. Level 3 qualifications include the Capital Markets Programme.

Question:

What is the CISI Level 4 qualification?

Answer:

The CISI Level 4 qualification is the Investment Advice Diploma (IAD) and comprises a minimum of three units: UK Regulation & Professional Integrity, Investment Risk & Taxation and a specialist unit from the following: Securities, Derivatives and Private Client Advice. Advisers should take the specialist units relevant to their job role as advised by their employer. There is no qualification gap-fill required once completed.

Question:

What format is the IAD?

Answer:

The Investment Advice Diploma uses Computer Based Testing (CBT) and a more advanced set of Multiple Choice Questions (MCQ). Some of the questions will be more scenario based. The Private Client Advice unit is, however, a narrative paper not CBT.

Question:

Are there any exemptions from the IAD?

Answer:

The CISI is committed to offering one exemption to candidates where standards are comparable. Specific exemptions from other awarding bodies' examinations can be found **here**. The CISI will also work, as it already does, with other awarding bodies to seek exemptions for its own candidates in relation to the qualifications offered by others. There will be no exemptions from the level 4 IAD for level 3 qualifications.

Question:

What are the implications on retail and wholesale firms for the transition from level 3 to level 4?

Answer:

We are retaining our Level 3 Certificate in Securities and our level 3 Certificate in Derivatives for candidates working in wholesale. Level 3 UK Financial Regulation is the appropriate level 3 regulatory paper. These certificates are not suitable for new (retail) entrants, who need to be qualified to level 4.

Question:

For those advisers with international qualifications (or qualifications from other awarding bodies - eg Chartered Accountants), who should they contact to see whether they meet the Level 4 requirements?

Answer:

The relevant awarding body, or the FCA. The full list of qualifications can be seen at TC Appendix 4E. The FCA adds to these lists through its quarterly updates, the website is at www.fca.gov.uk

Question:

How long will your level 4 qualification take to complete?

Answer:

We anticipate that it will take between 400 and 450 hours of study time to complete. A highly experienced practitioner may, in practice, take less time.

Question:

If I advise in Collective Investment Schemes, do I need to hold an appropriate qualification for Packaged Products or just Securities?

Answer:

As you are aware Collective Investment Schemes (CIS) come under two of the FCA's TC activities - advising on securities and advising on retail investment products. This is because CIS are reflected in the FCA Glossary terms for 'security' and 'retail investment product'. Where an individual advises on a 'retail investment product' we would expect them to be competent for all retail investment products because that is the scope of their firms permitted activity. There are occasions where it may be appropriate to restrict further the individuals activity for the purpose of TC. In this case the FCA has interpreted the definition 'unit' (within a CIS) as being standalone from other retail investment products when a CIS is sold by an individual who advises on securities.

We have looked at this in relation to the structure of the examination standards and, by way of example, the syllabus and structure of the Investment Advice Diploma (IAD) and are satisfied in this case that an individual can 'advise on securities' if they pass both core modules and the securities module (without the need to complete the Private Client Advice module). However, it is important to note that we have only considered CIS here - if an individual advising on securities uses any other product that is described under 'retail investment products' they will need to attain an appropriate qualification covering 'retail investment products'.

The definition of a CIS can be found via the link below:

CIS legislation

Question:

If I advise on structured products, what qualification or gap-fill do I need?

Answer:

Following advice from the FCA on ETFs and Structured products and the impact of MiFID2 on these, we are pleased to agree the following way forward for advisers.

As MiFID2 is not yet with us, and consequently, is not yet formulated in the examination standards, any new products or new definitions of products, would be part of the routine updating of syllabuses which we at CISI undertake each year for new advisers; and would be part of the now-soon-to-be mandatory CPD activity for existing RDR affected advisers who are already qualified and working on gap-fill in respect of existing exam standards/indicative content.

Once MiFID2 is implemented, existing advisers can complete CPD in this area and not have to take further exams to cover the new retail investment products definition.

Structured Products/Securities & Derivatives

The Regulator has clarified that the following topics, covered in the CISI's Level 4 Securities unit, are not Derivatives, and therefore an adviser who advises on retail structured products will have covered them in the Securities unit:

"The key features, accessibility, risks, valuation and yield characteristics of main types of retail structured products and investment notes, compared with other forms of direct and indirect investment:

Structure; Income and Capital growth; Investment risk and return; Expenses; Capital Protection; and Tax efficiency"

Please note that if an adviser also advises on Derivatives, he or she will need to take the Derivatives module of the IAD.

Question:

Are there any waivers?

Answer:

Very rarely! Any waivers must be applied for to the regulator directly, and the CISI understands that they are only granted in wholly exceptional circumstances and not because individuals have run out of time.

Question:

If I have no evidence of my qualifications, can I declare I have them on the basis of professional trust?

Answer:

No. The CISI must have documentary proof, and has to verify 100% of qualifications including any gaps filled by structured learning.