



**Institute for Apprenticeships
& Technical Education**

Legal, Finance and Accounting: Finance

**T Level outline content: draft final
version**

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| Retail and Commercial Banking Analyst | |
| Investment Banking and Asset and Wealth Management Analyst | |
| Insurance Practitioner | |
| Financial Compliance/Risk Analyst | |

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Introduction

Outline content

This outline content has been produced by [T Level panels](#) of employers, professional bodies and providers, and is based on the same standards as those used for apprenticeships. The outline content will form the basis of the specifications for T Level Technical Qualifications, which will be developed by awarding organisations for approval by the Institute for Apprenticeships and Technical Education. One awarding organisation will be appointed to develop and deliver each Technical Qualification following a procurement process.

Colleges and other education and training providers will decide how to structure the T Level courses they offer, based on the qualification specifications. This will enable them to deliver the study programme's mandatory components in the most effective way for students.

A T Level programme consists of a Technical Qualification, substantial industry placement, English and maths, and other occupation-specific requirements where essential for entry to skilled employment. This outline content relates solely to the Technical Qualification part of a T Level programme.

Further information about T Levels is available on the website of the Institute for Apprenticeships and Technical Education here: www.instituteforapprenticeships.org, and at www.education.gov.uk.

Legal, Finance and Accounting: Finance

Awarding organisations will need to ensure that students have an up-to-date knowledge of the legal and regulatory obligations relating to employment in the occupations relevant to the T Level, and understand the practical implication of these on their work.

Maths, English and digital skills are set out in a separate annex. Awarding organisations should integrate these within the qualification so that they are applied in occupationally relevant contexts.

Core content

The core content relates to the whole route 'route core', and the pathway that the Technical Qualification covers 'pathway core'. The core knowledge and understanding is assessed through an examination and core skills through a practical employer-set project.

The core knowledge and understanding focuses on the students' knowledge and understanding of contexts, concepts, theories and principles relevant to the T Level. This could include, where appropriate, assessment of knowledge and understanding relevant to the route and the pathway.

The employer-set project provides the opportunity to develop and apply a minimum range of core skills important for employability. The allocation of content to each type of assessment will need to be approved by the Institute for Apprenticeships and Technical Education.

Core knowledge and understanding across Legal, Finance and Accounting Route

Please note references to 'business' and 'business organisations' are terms used throughout the outline content which are intended to be inclusive and encompass various types of establishments such as private, public, voluntary, sole trader, partnership, limited company, startup, franchises, international, etc.

| Element | Content |
|---------------------------------|--|
| The Business Environment | <ul style="list-style-type: none"> • The role of business in society • The types of business organisations private, public and voluntary including: <ul style="list-style-type: none"> • An understanding of common business models, structures, operations, and functions, and the roles within these enterprises including: <ul style="list-style-type: none"> • An understanding of the standard types of business models, structures, key operational areas, functions and roles within businesses, commercial organisations, and enterprises, their purposes, legislative, regulatory, operational frameworks, main differences, and potential implications within straightforward legal, financial and accounting contexts • Business models, including: <ul style="list-style-type: none"> • A general understanding of how these differences have financial, legal, reputational, management, organisational, commercial, procurement and supply, taxation-related, and market, profit and growth-related implications in legal, financial and accounting contexts • Companies Acts and their purpose, including: <ul style="list-style-type: none"> • Purpose and key elements of the Articles of Association • Company directors' duties, including an obligation to promote the success of the company, to consider the community and the environment, the interests of employees, and to be fair to shareholders • Rights of indirect shareholders • Penalties and other implications of non-compliance • Tax – UK tax laws – personal (payroll, employment and pensions), business related taxes, including an understanding of: <ul style="list-style-type: none"> • The basis of taxation: Direct and Indirect • The key taxes in the UK, including devolved and regional taxes • Tax legislative cycle and how new tax law is formed |

| Element | Content |
|---------|---|
| | <ul style="list-style-type: none"> • The role and interaction of case law – internal and external customers/clients, including an understanding of: <ul style="list-style-type: none"> • The different types of stakeholders and their differing needs • Confidentiality issues • Public sector organisational structure and culture <ul style="list-style-type: none"> • A general understanding of the role of the public sector in delivering services • An understanding of the similarities and differences between the public and private sector, including an understanding of the ideas of ‘accountability’ and ‘public administration’ vs ‘public management’ • Funding and financial control aspects of the public sector including Central and Local Government, the NHS and other relevant bodies • The role of government in market failures (e.g. the banking crisis) • The decision making process <ul style="list-style-type: none"> • The different types of decisions that occur in organisations, including decision making processes and models • Cost v financial and non-financial benefits, including public benefit • Ethics of decision making • The impact of organisation culture and social responsibility on decision making • The global business environment and role of financial markets in the economy • Fundamental business principles, concepts and practices within contemporary commercial contexts relevant to legal, financial and accounting, including: <ul style="list-style-type: none"> • An awareness of the profit motive, capital and labour, business and commercial objectives, priorities and contexts (i.e. markets, customers, competition and competitors, growth, ownership and management accountability structures, revenue, finance, profit, shares, shareholders, investors, staff, remuneration, and labour-related issues such as skills shortages, recruitment, incentives, promotion, training, development, unions, industrial action) • A basic understanding of legal frameworks, and of contractual principles and arrangements and their implications for legal, financial and accounting activities • Drivers of change |

| Element | Content |
|---|---|
| | <ul style="list-style-type: none"> • How organisations respond to change relevant to the sector, for example: <ul style="list-style-type: none"> • Political, ethical, social/demographic, technological, legal/regulatory and environmental |
| Careers within the legal, finance and accounting professions | <ul style="list-style-type: none"> • Roles and responsibilities of various professionals involved in the legal, financial and accounting sector and how those roles and responsibilities relate to and interact with each other, such as: <ul style="list-style-type: none"> • Authorised Persons, such as solicitor, barrister, CILEx (Chartered Institute Of Legal Executives), licensed conveyancer, licensed probate practitioner, and legal support staff such as a paralegal, conveyancing technician or probate technician (educational pathways) • Financial services advisor, risk analyst, insurance broker, commercial client relationship manager, mortgage advisor • Financial accounting, management accounting, financial management and payroll administrator • The different aspects of professional services - private practice and in-house e.g. public, commercial, voluntary, such as: <ul style="list-style-type: none"> • A private practice law firm owned by equity partners with employed staff, a limited liability partnership (a law firm where the partners have limited liability), a sole practitioner who works independently, sometimes with non-lawyer support personnel; an alternative business structure where professionals from different disciplines work together • Public sectors - departments in County Councils, NHS, Crown Prosecution Service, Government Legal Services • Commercial bodies - telecommunication companies, banks, E-commerce companies, Tech companies. • Voluntary organisations e.g. charities and universities • In finance and accounting specifically, retail and commercial banks, building societies, internet banks, investment banks, insurance companies and asset management firms • Routes to qualify as a legal, finance or accounting professional, such as: <ul style="list-style-type: none"> • Routes into the Legal profession vary according to roles, for example: <ul style="list-style-type: none"> • Barrister |

| Element | Content |
|---------|---|
| | <ul style="list-style-type: none"> ▪ Degree route including conversion if necessary ▪ Professional qualification such as Bar Professional Training Course (BPTC)/Future Bar Training ▪ Pupillage • Solicitor, currently <ul style="list-style-type: none"> ▪ Degree route including conversion if necessary ▪ Legal Practice Course (LPC) ▪ Higher Apprenticeship • Legal Executive, Licensed Conveyancer or Licensed Probate Practitioner <ul style="list-style-type: none"> ▪ Professional qualifications ▪ Higher Apprenticeships ▪ Degree route followed by professional qualifications or a Higher Apprenticeship (L6 or L7) • Other legal professionals (working under the supervision of a qualified lawyer), such as individuals undertaking a L3 or L4 apprenticeship, or professional qualifications to become a Paralegal, a Cost Lawyer, a Conveyancing or Probate Technician • Routes into finance professions vary, there are a number of possible career choices which offer diverse opportunities in financial services, for example (but not limited to) banking, investment and wealth management, insurance, risk and compliance. Geographically wide-spread and in a wide-range of organisations, there are roles for finance professionals working in teams and/or on projects that deliver various aspects of an organisations business, including serving large multinational corporate customers, providing independent wealth planning for retail customers, conducting financial markets research, settling foreign exchange transactions in real-time, etc., for example, depending on the specialism: <ul style="list-style-type: none"> • Completion of professional qualifications through one of the professional bodies, plus relevant work experience to qualify to practice as e.g. Financial Services Customer Advisor such as Mortgage Adviser (Level 3), Financial Services Administrator i.e. Insurance professional (Level 3 and Level 4) • Higher Apprenticeships e.g. Actuarial technician (Level 4), Financial Adviser (Level 4 Diploma), |

| Element | Content |
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| | <p>Paraplanner, Investment Operations specialist (Level 4)</p> <ul style="list-style-type: none"> • Progression to graduate entry (Level 6/7) professional/senior professional certification e.g. Actuary, Economist, Financial Services, Insurance, Investment and commercial Banking, Compliance and Risk • Routes into the accounting profession vary according to roles (e.g. an actuary or accountant) in accountancy, payroll, taxation, audit and bookkeeping, for example: <ul style="list-style-type: none"> • Accounting technician / bookkeeper through an apprenticeship at Level 3 or Level 4 • Chartered Accountant through completion of professional examinations with one of the professional accountancy bodies plus 36 months of relevant work experience. Progression to this from technician / bookkeeper or graduate entry • Specialist services e.g. payroll, tax, audit, actuary where entry is at various levels with the requirement for specialist examinations plus relevant work experience or an apprenticeship at Level 3, Level 4, Level 5 and Level 7, depending upon the specialism • Role of legal, financial and accounting functions within different private, public etc. organisations |
| Regulation | <ul style="list-style-type: none"> • The role of Regulators and their purpose and authority as licensing bodies, for example: <ul style="list-style-type: none"> • Solicitor’s Regulatory Authority (SRA) - “Looking to the Future” deregulation agenda - changes are being introduced, on a phased basis from 2020 • Chartered Institute of Legal Executives (CILEx), • Bar Standards Board (BSB) • Financial Conduct Authority (FCA); Prudential Regulation Authority (PRA), Financial Reporting Council (FRC) and the Pensions Regulator (TPR) • The types of regulatory requirements that govern professional services and customer/client engagement, including: <ul style="list-style-type: none"> • Understanding the difference between information versus advice • Regulated versus non-regulated products |

| Element | Content |
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| | <ul style="list-style-type: none"> • Regulatory safeguards to protect the interests of users of legal, financial and accounting services • Financial crime and associated legislation including Anti-Money Laundering • Impact of regulatory change on the profession, case studies on, for example: <ul style="list-style-type: none"> • Confidentiality clauses • Data protection • Money laundering • Finance examples: the financial crisis and the focus on conduct; introduction of Financial Conduct Authority (FCA); case study of Payment Protection Insurance (PPI) |
| Professionalism and Ethics | <ul style="list-style-type: none"> • Professional conduct in the workplace <ul style="list-style-type: none"> • An understanding of professional conduct and responsibilities in the workplace, and in different legal, financial and accounting contexts, including: <ul style="list-style-type: none"> • Own role, responsibilities and scope, relationship to others, organisational structure, accountabilities and inter-dependencies, professional conduct and reputation, for example: <ul style="list-style-type: none"> • Duty of confidentiality versus duty of disclosure • Duty not to abuse position as a qualified professional • The different regulatory frameworks and standards, for example: <ul style="list-style-type: none"> • Codes of conduct for the individual, organisation and professional • Client confidentiality • Rules of confidentiality and consistency in its interpretation • Ethical standards and the need to observe these at all times • Ethical dilemmas for the individual, organisation and professional, including: <ul style="list-style-type: none"> • An understanding of reputation, ethics, personal, professional, and wider, responsibilities which apply in the workplace, in commercial settings, and in different legal, financial and accounting contexts such as: |

| Element | Content |
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| | <ul style="list-style-type: none"> • Expectations about professional conduct, behaviours and attitudes, their purpose and value; the importance of respectful behaviour, ethical decision-making, personal agency, organisational contexts, appropriate social interaction in different contexts for example formal, professional), sanctions for misconduct include a warning, a fine, suspension from practice and disbarment • Governance of organisations <ul style="list-style-type: none"> • Agency theory • The role of the board • Corporate governance in the UK • Social purpose and responsibilities of legal, financial and accounting professionals, examples of corporate responsibility • The importance of maintaining professional competence • Professional scepticism including an awareness of the need for a questioning attitude and robust challenge, where appropriate |
| Security and risk | <ul style="list-style-type: none"> • The importance of maintaining privacy and confidentiality of company information, as well as that of clients and colleagues and the difficulties that may arise if these conflict with a duty of disclosure • Processes and protocols used to ensure internet security including cyber, such as: <ul style="list-style-type: none"> • Moving IT processing and data to servers located outside a (law) firm • Encryption of files and emails • Keeping protection software up-to date • How to deal with suspicious emails and attachments • Use of insecure internet connections • Personal Data Governance and Protection, for example: <ul style="list-style-type: none"> • Current data protection and impact on data management • Payment Services Directive • Different types of risk and how they may be identified, managed and mitigated, for example: <ul style="list-style-type: none"> • Conduct risk • Fraud prevention |

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| Equality, diversity and inclusion | <ul style="list-style-type: none"> • An understanding of equality, diversity and inclusion requirements, this includes understanding current relevant legislation e.g. Equality Act 2010, Human Rights Act 1998, including: <ul style="list-style-type: none"> • An understanding of the nature and value of professional responsibilities which apply in the workplace; and, different legal, financial and accounting contexts, relating to equality, access and inclusion • An understanding of fairness, respect and dignity; the value of cooperative practices and empathy; personal and collective responsibilities; personal needs and requirements and the needs and requirements of others; the general principles of good practice in equality, access and inclusion, and their value, as well as obligations in these areas • Equality and diversity in the workplace, including: <ul style="list-style-type: none"> • Protected characteristics • Vulnerable clients • Unconscious bias |
| Professional Services | <ul style="list-style-type: none"> • The role of third party professionals/professional services in the provision of professional services, for example: <ul style="list-style-type: none"> • Insurers • Lenders • Experts • Professional indemnity, its purposes and limitations, including how Professional Indemnity Insurers impose their requirements and the impact of a bad record on premiums • Standards of service and Service Level Agreements (SLAs), including the importance of working within the scope of the engagement and meeting delivery requirements |
| Fundamentals of Law | <ul style="list-style-type: none"> • Relevant legislation and common law impacting upon legal, financial and accounting professions, for example Business Law and Contract Law • The operation of the legal systems in the devolved nations as appropriate • The role of the courts, tribunals and parliament in the development of law |

| Element | Content |
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| | <ul style="list-style-type: none"> • Customer protection under the law, for example Consumer Rights Act 2015 • The impact of law from international sources, for example European Law |
| Fundamentals of Financial Accounting | <ul style="list-style-type: none"> • Different types of financial data, their origins and reliability and how they are presented including: <ul style="list-style-type: none"> • An understanding of elementary financial principles, concepts and practices: <ul style="list-style-type: none"> • The importance of finance in business • A variety of elements within a set of financial accounts • A range of basic accounting and finance techniques and using them in context • Key considerations and issues for running commercial enterprises and projects, sources of finance, management of money, transactions, revenue, profit and loss, cash flow, solvency, and effective business and commercial practices, performance, and opportunities • How this content links to relevant accounting, bookkeeping, and business mathematics requirements |
| Technology | <ul style="list-style-type: none"> • An awareness of: <ul style="list-style-type: none"> • Digital and emerging technology and associated benefits, risks and potential new services e.g. in relation to strengths and weaknesses of automated case management and commoditisation of professional services • Digital transformation for example the process that begins by transforming an organisation including the latest digital technologies, predictive analytics, business process management (BPM) and crowd computing • How the changes in technology and data or digital concepts will be used in the context of Legal, Finance and Accounting • Contemporary digital tools and software including: <ul style="list-style-type: none"> • Electronic filing of documents for example Companies House, Tax returns • Digital case/document/management systems (procedure and compliance) • Automation of processes |

| Element | Content |
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| | <ul style="list-style-type: none"> • Analysis (information and data) • Robotics, sensors • The latest advances in Financial technology (Fintech) which seeks to innovate, improve and automate the delivery and use of financial services through the use of artificial intelligence, predictive analytics, business process management (BPM), crowd computing and block chain • How roles and capabilities required are evolving, such as: <ul style="list-style-type: none"> • Legal technology companies are offering Online Dispute Resolution (ODR) e.g. platforms which will broaden access to justice and resolve disputes more quickly and cheaply, commoditisation of legal services using technology, (as in conveyancing and insurance) • Roles and capabilities in financial services, such as the use of Artificial Intelligence (AI) and data science • Digital awareness and advocacy • The increase in alternative investment opportunities, for example crowdfunding and angel investing |
| Data driven innovation/ analytics and design thinking | <ul style="list-style-type: none"> • An awareness of: <ul style="list-style-type: none"> • Data architecture • Defining data architecture and its layers and recognising trends, including an understanding of how data flows and is processed across an organisation's IT systems and the application of data governance systems • The key requirements of a data governance framework including a formal set of rules, policies, standards and models to govern and define the type of data collected and how it is used, stored, managed and integrated within an organisation and its database systems • Understanding and driving value from Big Data, for example the different sources, volume, velocity and complexity of data and how to gain commercial insights whilst appreciating its' limitations • Reporting and Analytics <ul style="list-style-type: none"> • Different types of analytics and principles of data analysis methods and the tools used to analyse data |

| Element | Content |
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| | <ul style="list-style-type: none"> • The impact that technology has on how analysis is performed • Visualisation tools and software • Understand the history of reporting and how it is progressing to more visual and insightful tools including: <ul style="list-style-type: none"> • The main visualisation tools and when they are best used compared to alternatives |
| Research skills | <ul style="list-style-type: none"> • The breadth of sources of knowledge • Reliability and accuracy of sources including an understanding of: <ul style="list-style-type: none"> • How to plan research including an awareness of different perspectives • The appropriate research methods to use including primary and secondary, qualitative and quantitative • The reliability and validity of a range of information sources including fact, opinion and bias • The appropriate use of information, plagiarism, paraphrasing and summarising • Bibliographies and referencing in legal, financial and accounting contexts |
| Project/Change Management and Administration | <ul style="list-style-type: none"> • Project and change management approaches in legal, financial and accounting contexts, including an awareness of: <ul style="list-style-type: none"> • How projects are defined, structured, reported on, and measured (e.g. GANTT charts) and technology used. • The roles, responsibilities, structure and management of relevant personnel in project and change management practices • Project and change management planning and control • Quality, cost and time, and their implications • Records and reporting • How to support and improve projects through research, evidence and evaluation methods |

Core knowledge and understanding across Finance pathway

| Element | Content |
|--------------------------------------|---|
| The Financial Services Sector | <ul style="list-style-type: none"> • A general understanding of: <ul style="list-style-type: none"> • Development and structure of the UK financial services industry • The role of the Independent Financial Adviser and the limitations of the role and advice • The different financial services products, product providers, customer outcomes, advice/support services and platforms: deposits, payments, insurance, savings, investments, funds, mortgages, loans, pensions • Different client groups: personal, private, SME, small corporate, institutional • The global context of financial services including different culture and practice • Development and deployment of technology in financial services • How to treat retail and institution clients differently • How to avoid miss-selling • A basic understanding in: <ul style="list-style-type: none"> • life and corporate cycle • product lifecycles e.g. banking and insurance products • An awareness of the different operations teams, their roles and activities, how they impact on others and add value within financial services, including: <ul style="list-style-type: none"> • Operations • Finance • IT and technology • External/internal audit • A basic understanding in the range of roles and responsibilities of the chief operating officer to administration officers • A basic understanding in risk management in operations, including: <ul style="list-style-type: none"> • Operational risks • Settlement risks • IT and cyber risks • Non-financial risks (e.g. reputation) • An awareness of: |

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| | <ul style="list-style-type: none">• The transformation of financial services business and their trading models |
| Professionalism and ethics | <p>A general understanding of:</p> <ul style="list-style-type: none">• Risk, regulatory and governance requirements, the ethics and codes of conduct• Conflicts of interests e.g. an organisation or individual can't represent both sides• Whistleblowing and speak up culture: the concept, process for reporting, and basic understanding of UK Legal Public Interest Disclosure Act (PIDA) and Financial Conduct Authority (FCA) rules and powers• Lessons learned from bad practice e.g. the Libor scandal• Escalation mechanisms and processes• Complaints procedures and risk process• The principles of 'treating customers fairly' at all times |

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Employer-set project

The employer-set project ensures students have the opportunity to combine core knowledge and skills to develop a substantial piece of work in response to an employer-set brief. The employer-set project forms part of the Technical Qualification and is a separate part of the T Level programme to the Industry Placement.

To ensure consistency in project scope and demand, awarding organisations will develop assessment objectives, which require students to:

- plan their approach to meeting the brief
- apply core knowledge and skills as appropriate
- select relevant techniques and resources to meet the brief
- use maths, English and digital skills as appropriate
- realise a project outcome and review how well the outcome meets the brief

The awarding organisation will work with a relevant employer or employers, to devise a set brief that:

- ensures a motivating starting point for students' projects, for example, a real-world problem to solve
- ensures students can generate evidence that covers the assessment objectives
- is manageable for providers to deliver
- is officially approved by the awarding organisation and employer

For Finance, in achieving the assessment objectives and meeting the brief, students must demonstrate the following core skills:

- **Research and analyse qualitative and quantitative data**
For example
 - *design and conduct a survey on a specific topic and draw appropriate conclusions from the results*
- **Convey information clearly to a technical and non-technical audience tailored in a way that suits them**
For example
 - *an oral presentation or a written report using appropriate tools*
- **Work collaboratively as a team to make recommendations that meet customer needs**
For example
 - *research, analyse and plan to make recommendations for improvements to an existing product or service and/or a proposal for a new product or service*
- **Apply an ethical approach to solving problems and meeting complex customer needs**
For example
 - *show that ethical issues have been considered fairly, where there is a conflict of interest*

- **Demonstrate compliance with regulations and codes of conduct**
For example
 - *key regulations that apply to handling a customer complaint*

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Occupational Specialist Content

Specialist content is structured into different occupational specialisms, which correspond to the apprenticeship standards listed on the relevant occupational map. Occupational specialisms ensure students develop the knowledge and skills necessary to achieve a level of competence needed to enter employment in the occupational specialism, and are organised around 'performance outcomes' that indicate what the student will be able to do, as a result of learning and applying the specified knowledge and skills.

Occupational Specialism: Retail and Commercial Banking Analyst

Performance Outcome 1: Operate ethically and professionally in all interactions with customers /clients

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|--|--|
| <p>A basic understanding in culture and conduct in retail and commercial banking, including:</p> <ul style="list-style-type: none"> • Individual accountability and responsibility • Organisational culture <p>An awareness in ethical decision-taking principles that support analysis and underpin decision making including special protections for retail customers, for example:</p> <ul style="list-style-type: none"> • in the allocation or non allocation of a financial product, decisions must be made on financial and ethical criteria <p>A basic understanding in key features of professionalism in retail and commercial banking</p> <p>An awareness in complaints handling specific to retail and commercial banking</p> | <p>Outline the key features of an ethical and professional culture in retail and commercial banking</p> <p>Identify where common ethical dilemmas and conflicts of interest may arise in retail and commercial banking including the ability to listen to the needs of customers and interpret appropriately</p> <p>Apply the principles of relevant codes of conduct and ethical decision-taking models to arrive at appropriate courses of action</p> <p>Identify when ethical conflicts and dilemmas should be escalated, and to whom</p> |

Performance Outcome 2: Explain products and services in retail and commercial banking to internal and external customers/clients

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|---|---|
| <p>A basic understanding in the purpose and technical content of products and services within retail banking and its key features, including:</p> <ul style="list-style-type: none"> • Payment services • Deposits • Foreign exchange • Loans • Unsecured credit • Savings and investments • Pensions • Insurance e.g. house, car, life <p>An awareness of the wider mortgage sector, its customers, competitors and suppliers and the need for efficient and cost - effective practices for the company to be successful</p> <p>An understanding of the local mortgage market, how to keep up to date with industry developments and the need to build a network of professional contacts to support the development of their business</p> | <p>Identify customers'/clients' financial needs including those of vulnerable customers who may need special care or extra time to consider the options most appropriate for them</p> <p>Explain key features of selected products and services in retail and commercial banking to customers/clients using non-technical language where appropriate</p> <p>Prepare relevant documentation e.g. loan applications, credit assessment reports for accounts</p> <p>Deal with problems/complaints e.g. overdraft charges, fees, bank errors</p> <p>Identify customer's mortgage needs through effective fact-finding techniques and provide solutions thorough research and analysis</p> <p>Demonstrate an understanding of the additional or special needs of vulnerable customers e.g. offer more help and support to explain what is on offer, ensure there is an understanding of what they are being offered relevant to their specific needs, appropriate and considered ways of communication</p> |

Knowledge specific to Performance Outcome

Skills specific to Performance Outcome

A basic understanding in the purpose and technical content of products and services within commercial banking and its key features, including:

- Trade and receivable finance
- Foreign currency
- Letters of credit
- Liquidity and cash management
- Account structures – start-up / growing
- Loans, commercial mortgages, leasing and asset finance
- Factoring/debt collection options
- Payment services, company cards, mobile banking etc.
- Merchant services
- Risk management (e.g. helping customers manage foreign exchange or inflation risks)

Identify the competitor landscape for e.g. mortgages, personal loans and credit cards

A basic understanding in different customers/clients and its key features, including:

- Retail
- Sole proprietor
- Small to medium enterprise
- Multinational corporates
- Business banking
- Mid-market corporates

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|---|---|
| An understanding in key principles of credit and lending including consumer credit law, credit management policies, the lending framework | |

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Performance Outcome 3: Apply principles of risk management when making recommendations to internal and external customers/clients

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|--|---|
| <p>A basic understanding in key risks involved in different product types</p> <p>A basic understanding in key principles of risk management as they relate to retail and commercial banking, including:</p> <ul style="list-style-type: none"> • Credit risk • Interest rate risk/foreign currency risk • Market risk/sector based • Operational risk • Cyber-risk • Conduct risk <p>An awareness of problem debts/accounts and its features, including:</p> <ul style="list-style-type: none"> • Early warning signs of client distress • Basics of debt collection methods • Non-performing debt • Bankruptcy / insolvency procedures and creditor hierarchy <p>An awareness of:</p> | <p>Evaluate the level of risk of selected products e.g. a mortgage, an unsecured loan, a small business loan secured on a family property, and services in retail and commercial banking for internal and external customers/clients</p> <p>Explain potential risks and benefits of selected products and services to internal and external customers/clients</p> <p>Prepare relevant documentation, for example:</p> <ul style="list-style-type: none"> • In terms of personal risk complete score cards, assessment forms or as an advisor with a customer complete a 'fact find' • Complete a broad report for a business risk <p>Identify early warning signs of client vulnerability</p> |

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| <ul style="list-style-type: none">• How financial institutions and corporates manage treasury functions and associated risks• Risks in international trade and lending | |
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Performance Outcome 4: Analyse financial information and data and present reports to internal and external customers/clients

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|--|---|
| <p>A basic understanding in sources of financial information and data:</p> <ul style="list-style-type: none"> • Financial markets • Financial institutions • Company reports <p>An awareness of the principles and practices for analysing financial information and data e.g. policy records and companies financial reports, including systems, processes, tools:</p> <ul style="list-style-type: none"> • Data providers: Bloomberg and Refinitiv • Time value for money, cash flow projections, and Gordon Growth Model (dividends) <p>An awareness of the importance of maintaining up to date customer and policy records</p> | <p>Collect and collate financial information and data from a range of sources using appropriate tools and methods to enable analysis e.g. a quick ratio analysis or a SWOT (strengths, weaknesses, opportunities and threats) analysis</p> <p>Maintain customer/ policy records through a relevant IT solution</p> <p>Select and use appropriate tools to perform analysis, diagnosis and make forecasts</p> <p>Examine large volume of data and establish trends/find patterns</p> <p>Sense check information and options, review, changes, trends and be able to arrive at insightful conclusions e.g. to spot trends to help customers to remortgage at the best time</p> <p>Draw conclusions from analysis/interrogation of data and other financial information</p> <p>Present findings to internal and external customers/clients, as relevant to independent financial advisers, according to guidance from the Financial Conduc Authority, both verbally and in writing taking into account audiences</p> |

Knowledge specific to Performance Outcome

Skills specific to Performance Outcome

Monitor and test data to check for errors or invalid results

Draw conclusions from analysis/interrogation of data and other financial information

Carry out financial projections of customer/client and company activities

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Occupational Specialism: Investment Banking and Asset and Wealth Management Analyst

Performance Outcome 1: Operate ethically and professionally in all interactions with customers/clients and counterparties

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|--|--|
| A basic understanding in legal and regulatory requirements that apply to investment banking and asset and wealth management | Identify legal and regulatory requirements relevant to the role, function and organisation |
| A basic understanding in key features of professionalism and speaking up culture | Outline how the conduct rules in relation to financial and asset markets including the importance of Her Majesty's Revenue and Customs (HMRC) e.g. Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA), apply personally and to the role |
| A basic understanding in ethical dilemmas and conflicts of interest as applied to investment banking and asset and wealth management e.g. the balance between fee generated against returns generated and investing knowing that you are in breach of Her Majesty's Revenue and Customs (HMRC) regulations | Explain the role of The Pensions Regulator |
| A basic understanding in special protections of retail clients (e.g. retail distribution reviews) in asset and wealth management | Outline the key features of an ethical and professional culture in investment banking and wealth management e.g. the concept of counterparties and international syndications |
| | Demonstrate an understanding of how and when to speak up using internal and external channels |
| | Identify where common ethical dilemmas and conflicts of interest may arise in investment banking and wealth management |
| | Apply the principles of relevant codes of conduct and ethical decision-taking models to arrive at appropriate courses of action |

Knowledge specific to Performance Outcome

Skills specific to Performance Outcome

Identify when ethical conflicts and dilemmas should be escalated, and to whom

Outline the ethical and professional responsibilities to retail clients in wealth management, with particular reference to vulnerable customers

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Performance Outcome 2: Explain products and services in investment banking to internal and external customers/clients and counterparties

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|---|--|
| <p>A basic understanding in products and services within capital markets and investment banking and its key features, including:</p> <ul style="list-style-type: none"> • Corporate finance (equity capital markets, debt capital markets, mergers and acquisitions) • Sovereign markets (developed, emerging and frontier) • Sales and trading • Research • Securitisation • Foreign exchange • Commodities • Equities • Fixed income • Derivatives <p>A basic understanding of different customers/clients and counterparties' specific characteristics i.e. differences between these terms and obligations of who holds the funds and expectations of those who have invested the funds i.e. balance of risk and return, including:</p> <ul style="list-style-type: none"> • Mutual funds • Hedge funds • Private equity | <p>Conduct a needs analysis to identify customers/clients and counterparties needs for one or more of the products and services in the list opposite</p> <p>Explain key features of selected products and services from the list opposite to internal and external customers/clients and counterparties using non-technical language where appropriate</p> <p>Prepare relevant documentation for a customer, client or counterparty to help them access a product or service that meets their need such as portfolio performance, statement of performance and benefits, key information documents, different returns for different performance, term sheet for a loan</p> <p>Outline the key types of institutions and infrastructure comprising the capital markets</p> <p>Explain how trading can be undertaken in e.g. LSE (London Stock Exchange) or online including how trading decisions can be made by software/ algorithms or humans</p> <p>Identify the competitor landscape for e.g. sales and trading, mergers and acquisitions</p> |

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|--|---|
| <p>A basic understanding in key financial market infrastructure, including:</p> <ul style="list-style-type: none">• Exchanges• Over-the-counter markets• Information providers <p>An awareness of how technology is changing the sector, including algorithm trading and automations</p> | |

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Performance Outcome 3: Explain products and services in asset and wealth management to internal and external customers/clients

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|--|---|
| <p>A basic understanding in the Asset and Wealth Management Industry, including:</p> <ul style="list-style-type: none"> • How it operates e.g. investment platforms and digital technology advancements • How it generates value for clients and society • How it fits within the industry and the dependencies • How it interacts with the rest of the financial sector including international aspects • Key players in the market and the environment in which they operate including market conditions and implications for clients <p>A basic understanding in role, functions and the business models of the following service providers in the sector, including:</p> <ul style="list-style-type: none"> • Private banks • Independent financial advisors • Investment advisors / consultants • Custodian • Administrator • Prime broker | <p>Conduct a needs analysis to identify customers'/clients' financial needs for wealth or asset management products and services e.g. in relation to client differences - a) for a client who is in their thirties and b) for a client who is in their fifties</p> <p>Explain key features of selected products e.g. a Self-Invested Personal Pension (SIPP), annuities or Open-Ended Investment Company (OEIC), platforms and services within asset and wealth management to internal and external customers/clients using non-technical language where appropriate</p> <p>Prepare relevant documentation e.g. a request for proposal, a paper, question and answer sheets for a client or product specification</p> <p>Identify customers'/ clients' income needs at retirement</p> <p>Perform calculations and check for accuracy in given wealth management product and services pension scheme information</p> |

Knowledge specific to Performance Outcome

Skills specific to Performance Outcome

A basic understanding in what the fund was set up to do, the purpose of the funds, why the funds are there and how they got there, including:

- Traditional asset managers / mutual funds
- Hedge funds
- Pension funds
- Private endowments
- Fund of funds
- Sovereign wealth funds
- Private equity
- Venture capital

An awareness of the different in standpoints within the sector, including:

- Sell-side versus buy-side
- Active investing versus passive investing e.g. Exchange Traded Fund (ETFs)

An awareness of products and services within the asset and wealth management and its key features, including:

- Unit trusts
- Investment trusts
- Portfolio services
- Private banking

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|--|--|
| <ul style="list-style-type: none"> • Pensions • Tax planning • Financial advisory <p>An awareness of Retirement options</p> <p>An awareness in the regulatory and legislative environment for retirement planning</p> <p>An awareness in the different options available for retirement planning (e.g. defined benefit vs defined contribution)</p> | |

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Performance Outcome 4: Apply principles of risk management in investment banking and asset and wealth management

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|---|--|
| <p>A basic understanding in concept of the investment risk as it applies to the a) individual investor and b) corporate bodies</p> <p>A basic understanding in key risks involved in different product and services types as it applies to the a) individual investor and b) corporate bodies</p> <p>A basic understanding in key risks involved in different markets, including primary and secondary markets</p> <p>A basic understanding in key principles of risk management in Investment banking and Asset and wealth management, including:</p> <ul style="list-style-type: none"> • credit risk • market risk • operational risk • liquidity risk • counterparty risk • modelling risk <p>A basic understanding in risk appetite and capability and how to gauge it including the differences between the individual and corporate bodies e.g. profiling of individuals</p> | <p>Evaluate the level of risk of selected products and services for internal/external customers/clients</p> <p>Explain potential risks and benefits of selected products and services for consideration to internal and external customers/clients orally and in writing</p> <p>Measure performance of a client's portfolio</p> <p>Prepare relevant documentation for e.g. a portfolio performance report, a large exposure report, credit line assessment and exposure documentations</p> |

Knowledge specific to Performance Outcome

Skills specific to Performance Outcome

A basic understanding in different needs of a retail client at each of his/her life stage

A basic understanding in different needs of an institutional client at each of his / her corporate / fund stage

An awareness in ways to monitor client assets and portfolio

An awareness in the risks in a portfolio and how to measure and manage them

An awareness in product risk control and governance

Performance Outcome 5: Analyse financial information and data and present reports to internal and external customers/clients/counterparties

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|---|---|
| <p>The different ways of analysing and reporting data e.g. price to earnings ratios</p> <p>Different data sets e.g. price to earnings, share price, bond yield profits and earnings, investment returns</p> <p>An awareness of:</p> <ul style="list-style-type: none"> • financial forecasting and diagnosis • corporate finance and information analysis <p>An understanding of portfolio valuation including fund valuation for pension clients, portfolio cash reconciliation and portfolio management</p> <p>A basic understanding in how to research:</p> <ul style="list-style-type: none"> • client needs • counterparty needs • market demand • client portfolios • financial markets • investment products | <p>Collect and collate financial information and data from a range of sources such as on business, product and market performance</p> <p>Manipulate data to come to a conclusion, and make a recommendation on investment decisions</p> <p>Select and use appropriate tools to perform analysis</p> <p>Examine large volume of data and establish trends/find patterns</p> <p>Test data to check for errors or invalid results e.g. incorrect date of births in a pension scheme, duplicate date or incorrect assumptions</p> <p>Prepare an internal client investment report</p> <p>Prepare a report which captures significant changes to an investment portfolio as instructed by a client</p> <p>Sense check information and options review, changes, trends and be able to arrive at insightful conclusions e.g. to make sure that the investment vehicle suggest is appropriate; to make spot</p> |

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|---|---|
| <ul style="list-style-type: none"> • competitor actions <p>An awareness in how to:</p> <ul style="list-style-type: none"> • generate investment ideas • monitor client assets and portfolio • monitor client activity and sales performance • generate fees for the company • save costs for the clients/ customer • enhance transparency of fee structure | <p>changes and trends that will help clients to best position their portfolio</p> <p>Draw conclusions from analysis/interrogation of data and other financial information such as business product or market</p> <p>Present findings to internal and external customers/ clients/ counterparties both verbally and in writing using a variety of visualisation and presentation techniques such as word, power point or excel</p> |

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Occupational Specialism: Insurance Practitioner

Performance Outcome 1: Operate ethically and professionally in all interactions with customers/clients

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|---|---|
| <p>An awareness in culture and conduct in insurance, including:</p> <ul style="list-style-type: none"> • Lessons from the financial crisis (UK and international) • Regulatory responses • Individual accountability and responsibility • Organisational culture <p>An awareness in compliance and risk requirements relating to generic entry roles</p> <p>An awareness in different approaches to ethics</p> <p>An awareness in different ethical decision-taking models that support analysis and underpin decision making</p> <p>A basic understanding in key features of professionalism, and how these relate to working in insurance</p> | <p>Identify where ethical dilemmas and conflicts of interest may arise within the insurance industry e.g. commission</p> <p>Apply the principles of relevant codes of conduct and ethical decision-taking models to arrive at appropriate courses of action (e.g. Treating Customers Fairly, Professional Body Code)</p> <p>Identify when ethical conflicts and dilemmas should be escalated, and to whom</p> |

Performance Outcome 2: Carry out with guidance the delivery of insurance services to customers/clients

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|--|---|
| <p>A basic understanding in the core principles of insurance and how they are applied on a day to day basis including value of insurance to society</p> | <p>Identify a customer's insurance needs e.g. personal such as illness cover, business such as business continuity cover to produce a relevant proposal and recommendations</p> |
| <p>A basic understanding in the structure of the insurance market and the five main groups of people: buyers, intermediaries, aggregators, insurers, reinsurers</p> | <p>Explain relevant insurance products and services to customers in non-technical language where appropriate so that they have an understanding of what is being purchased</p> |
| <p>A basic understanding in the key players in the insurance industry and their roles, including:</p> <ul style="list-style-type: none"> • Insurance companies • Lloyds • Reinsurers • Brokers and intermediaries | <p>Prepare Insurance documentation such as Policy Documents and Claims Handling Forms</p> <p>Explain the insurance claims process to customers and clients e.g. how to claim and the role of loss adjusters</p> |
| <p>A basic understanding in the range of insurance products and associated services available in the market, including:</p> <ul style="list-style-type: none"> • General insurance • Life Insurance • Reinsurance • Other types of insurance • Non-insurance services (e.g. authorised repairs) | <p>Produce an underwriting proposal for an insurance policy for e.g. an aircraft, a footballer, a dancer's legs</p> <p>Identify the competitor landscape for e.g. home or car insurance</p> |

Knowledge specific to Performance Outcome

Skills specific to Performance Outcome

A basic understanding in key features of insurance policies and the dynamic/challenge between customer acquisition and retention

A basic understanding in Legislation and regulation relating to Insurance

A basic understanding in customer service in an insurance context

A basic understanding in the principles of claim underwriting

A basic understanding in different distribution channels

A basic understanding in differences between retail and institutional clients, with regards to i.e. protection needs

Performance Outcome 3: Apply principles of risk management when making recommendations with regard to insurance products and services to customers/clients

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|---|---|
| <p>A basic understanding in the nature and main features of risk within the insurance environment including the concept of risk, categories and components</p> <p>A basic understanding in key principles of risk management, including:</p> <ul style="list-style-type: none"> • Political • Social • Technological • Demographic <p>An awareness in operational risk and how this is managed</p> <p>A basic understanding in key risks applicable to the insurance industry, including:</p> <ul style="list-style-type: none"> • Strategic risk • Compliance risk • Financial risk • Reputational risk • Investment risk | <p>Apply the main features of insurance risk and risk management to a given set of circumstances in insurance services e.g. building insurance for the flat of a tower block, an oil tanker going through the Strait of Hormuz</p> <p>Identify the Insurance risk and evaluate the level of risk of the selected insurance products and services e.g. a smoker taking out life insurance policy and the relevant cost implications, a 17 year old taking out car insurance, the insurance on a mobile phone</p> <p>Explain potential risks and benefits of the selected insurance products and services to customers/clients e.g. term insurance versus whole of life compare assurance</p> |

Performance Outcome 4: Research and analyse financial information and data and present reports to internal and external customers/clients

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|---|---|
| <p>A basic understanding in liability driven investments and the insurance life cycle</p> <p>A basic understanding in insurance profit and loss, balance sheets, reserving techniques and ratio analysis specific to insurance</p> <p>An awareness in Economic and market environment and customer requirements</p> | <p>Collect and collate financial information and data from a range of sources e.g. Ratio metrics such as Loss Ratio and Expense Ratio</p> <p>Select and use appropriate tools to perform analysis e.g. to track client acquisition and retention</p> <p>Examine large volume of data and establish trends/find patterns</p> <p>Test data to check for errors or invalid results</p> <p>Sense check information and options review, changes, trends and be able to arrive at insightful conclusions e.g. to make sure that the insurance options suggested make sense for the client's circumstances and external factors</p> <p>Draw conclusions from analysis/interrogation of data and other financial information</p> <p>Present findings to internal and external customers both verbally and in writing using a variety of visualisation and presentation techniques e.g. preparation of a report after conducting market research</p> |

Occupational Specialism: Financial Compliance/Risk Analyst

Performance Outcome 1: Operate ethically and professionally in all interactions with internal and external customers/clients

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|---|--|
| <p>An understanding of Ethics/ Regulation Summary specific to risk and compliance roles:</p> <ul style="list-style-type: none"> • Purpose of risk management, regulation, ethics, professional standards across financial services • Concept of ethics as applied to interactions with internal and external customers/clients • Concept of conflicts of Interest • Consequences of not following ethical best practice, rules or standards e.g. Payment Protection Insurance (PPI) mis-selling <p>An overview of Processes and Regulation relating to external customers/ clients in relation to risk and compliance:</p> <ul style="list-style-type: none"> • Customer Categorisation (market counterparty, professional, retail) and protections • KYC (“Know your Customer”) process • AML (anti-money laundering) • Customer on boarding process • Technology aspects of onboarding – Use of data bases, internet services etc. • Client confidentiality • Client communication and FCA rules | <p>Demonstrate understanding of:</p> <ul style="list-style-type: none"> • The concept of Ethics and how it applies to roles in Compliance and Risk (i.e. as role models) <p>Identify Ethical Dilemmas or Conflicts of Interest across different areas of a financial firm</p> <p>Analyse scenarios or case studies and propose ethical behaviours/ basic solutions/ courses of action</p> <p>Identify when and to whom ethical conflicts and dilemmas should be escalated</p> <p>Demonstrate a basic understanding of processes and Regulation relating to external customers/ clients:</p> <ul style="list-style-type: none"> • Complete basic case studies/ scenario analysis on customer categorisation, process, and regulatory considerations. • Identify and summarise key procedures, key regulations and consideration in the customer on-boarding process <p>Demonstrate understanding of processes and regulation relating to external customers/clients:</p> |

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|---|--|
| <ul style="list-style-type: none"> • Customer complaints • Overview of FCA Conduct of business rules – fair treatment of customers, provision of advice and services, client money. • Other relevant conduct rules or guidelines <p>An understanding of Conduct Risk and Culture:</p> <ul style="list-style-type: none"> • Concept of conduct risk and link to operational risk • Lessons from the financial crisis (UK and international) • Individual accountability and responsibility • Organisational culture <p>A basic understanding of the Concept of Market Integrity and Fair and Efficient Markets:</p> <ul style="list-style-type: none"> • Market abuse and basics of regulation • Concept of price-sensitive non-public information • Insider dealing and basics of regulation • Compliance surveillance and monitoring aspects • Real world examples of market abuse or insider dealing fines/prosecutions from recent press e.g. from Financial Times | <ul style="list-style-type: none"> • Full understanding of anti-money laundering (AML) concept and ability to identify possible regulatory risks from case studies • Write reports, compile Management Information (MI) on customers using software. • Perform basic research on customers/ clients (i.e. companies) using the internet or publicly available information. <p>Demonstrate basic understanding of:</p> <ul style="list-style-type: none"> • Regulation and best practice relating to conduct risk and culture • Poor conduct and behaviours and suggest ways organisations / regulators can mitigate <p>Demonstrate a basic understanding of:</p> <ul style="list-style-type: none"> • Market abuse or insider dealing from expected market conduct • The controls and processes used to prevent market abuse or insider dealing • The relevant regulation and importance of market integrity |

Performance Outcome 2: Communicate risk implications of products and services to internal and external customers/clients

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|---|---|
| <p>An overview of: The concept of risk management and how it applies to the financial services industry</p> <p>Key players in Global Financial Markets e.g. equities, insurance, futures, and the different risks they pose/ mitigate, including:</p> <ul style="list-style-type: none"> • role of different financial sector firms including: <ul style="list-style-type: none"> • Banking retail, commercial, investment banking • Brokers • Asset and wealth management (includes traditional funds, hedge funds and private equity) • Insurance • Pensions • FinTech (Financial Technology) sector • “Challenger” firms • Payment systems • Blockchain and crypto currency • Crowd funding <p>An awareness of the products and services offered e.g. equities, credit, rates, derivatives, loans, mortgages, funds products, insurance, annuities, pension planning advice, bank accounts</p> | <p>Explain in writing, verbally or by presentation the risk implications of different products and services to internal and external customers/clients</p> <p>Explain in writing, verbally or by presentation the risk implications of different types of customers/ clients/ Trading venues to internal management</p> <p>Demonstrate a basic understanding of:</p> <ul style="list-style-type: none"> • How different types of firm and sector are exposed to different risks • Types of client, markets, sectors that give rise to high/ medium/ low levels of risk • How to mitigate and control such risk <p>Perform summary analysis (including qualitative and quantitative analysis) of key information</p> <p>Use and interpret variety of metrics to explain risks, analyse products, clients, portfolios</p> <p>Interpret a basic risk report/ market analysis report/ investment report (or similar)</p> |

Knowledge specific to Performance Outcome

Skills specific to Performance Outcome

An understanding of:

- Role of corporates and businesses
- Role of individuals
- Role of UK in International context
- Role of regulators/Basel and central banks
- Role of exchanges, central counterparty clearing (CCPs) and institutions
- Over-the-counter market
- Financial history such as market crashes, financial crisis, bubbles, what can go wrong

Basic categorisation of different types of financial sector firms, their basis business models, and key markets, products and risks

Basic consideration of how risk can be managed and controlled

An understanding of different risk management types and how they apply to different products/markets/sectors, including:

- Operational risk
- Market risk
- Credit/counterparty risk
- Liquidity risk
- Reputational and legal risk

Identify political and reputational risks

Explain in writing, verbally or by presentation the role of best practice and regulation in managing risk

Analyse basic risk and financial/accounting information

Demonstrate a basic understanding of:

- How Risk Functions are structured, different types or roles and their interaction
- The purpose and basic structure of governance and policies

Demonstrate an understanding of:

- The concept of valuation uncertainty and P&L
- The role of data and technology in risk management

Communicate risk concepts verbally to a non-technical audience

Knowledge specific to Performance Outcome

Skills specific to Performance Outcome

- Regulatory risk
- Model risk
- Enterprise risk
- Investment risk

Controlling and mitigating risk, including:

- Limits frameworks and Key Risk Indicators (KRIs)
- Hedging
- Diversification and “the portfolio effect”

An overview of Risk Governance and oversight, including:

- Structure of risk function
- Purpose and function of committees and working groups e.g. risk committee, audit committee, Asset-Liability Committee (ALCO)
- Risk reporting
- Policies and procedures
- Use of analytics and technology

An understanding of Risk Metrics (basic), including:

- Risk exposures
- Value at Risk (VaR)
- Stress tests

Knowledge specific to Performance Outcome

Skills specific to Performance Outcome

- Volatility/standard deviation
- Key Risk Indicators (KRIs)
- Credit spread
- Credit ratings
- Interest rates
- Equity index values or returns

An understanding of:

Key operational processes involved in the financial sector including financing, trading, investing, selling, offering insurance services, clearing, settling

Key international and UK regulation and framework that applies to risk management:

- Concept of Prudential regulation
- Concept of regulatory capital and disclosure
- Role of Basel and Bank for International Settlements (BIS)

Key finance and accounting concepts applicable to risk (basic understanding):

- Daily Profit and Loss (P&L) statements
- Valuation of assets/derivatives
- Valuation uncertainty

Knowledge specific to Performance Outcome

Skills specific to Performance Outcome

- Reserves

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Performance Outcome 3: Communicate Regulatory implications of products and services to internal and external customers/clients

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|---|---|
| <p>And understanding of:</p> <p>The role and models of regulation in Financial Services, including:</p> <ul style="list-style-type: none"> • Objectives of financial regulation • The role of regulators and central banks and other bodies • Interaction between law and regulation • The UK regulatory framework and relation to Europe, US and the rest of the world • Impact of Brexit and concepts of “Regulatory equivalence” and “Third Country” (Basic understanding) • Differences between rule-based and principles-based approaches • Regulated market structures - exchanges and multilateral trading facilities • Purposes of current key regulations, including: <ul style="list-style-type: none"> • Financial Conduct Authority (FCA) Handbooks • The Markets in Financial Instruments Directive (MiFID2) • Sarbanes Oxley Act • UK Bribery Act • General Data Protection Regulation (GDPR) • Prevention of Financing of Terrorism | <p>Demonstrate understanding of the:</p> <ul style="list-style-type: none"> • Concept of regulation and compliance and application to the financial sector • Regulatory implications of different products and services • Regulatory implications of dealing with different sectors and different external clients/ customers • Consequences of not following the rules for individuals and firms <p>Demonstrate a basic understanding of:</p> <ul style="list-style-type: none"> • The purpose of key regulatory rules • Regulatory frameworks • The purpose of regulation for exchanges and multilateral trading facilities • Consequences and regulatory implications of different situations and behaviours or failed processes • The concept of ‘regulatory change’ <p>Complete a summary analysis and propose solutions e.g. for a financial services firm which requires compliance input</p> |

Knowledge specific to Performance Outcome

Skills specific to Performance Outcome

- Dodd Frank
- European Market Infrastructure Regulation
- Capital Requirements Regulation (CRR)

An understanding of the UK regulatory framework and relation to Europe, US and the rest of the world

Compliance function, including:

- International best practice
- Structure and role within a financial services firm
- Managing regulatory relationships
- Key processes and tasks

Key current regulatory themes or hotspots, including:

- Data protection and IT security
- Prudential regulation
- Senior managers' certification regime

Performance Outcome 4: Investigate and analyse potential risk or regulatory issues and present findings

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|--|--|
| <p>An understanding of:</p> <p>The interpretation of financial data, including:</p> <ul style="list-style-type: none"> • News/internet reports • Markets data • Economic data • Company accounts/balance sheet • Third party research <p>Financial forecasting, and statistics used in risk and data analysis, including:</p> <ul style="list-style-type: none"> • Linear regression • Standard deviation • Normal distribution <p>Maths for finance, for example:</p> <ul style="list-style-type: none"> • Simple and compound interest • “Time-value” of money • Foreign exchange calculations <p>An awareness of the types of data, including:</p> <ul style="list-style-type: none"> • Client data | <p>Conduct detailed research and analysis using data and documents from a variety of sources in order to draw conclusions, propose courses of action or solutions, such as:</p> <ul style="list-style-type: none"> • Identify potential risk or regulatory issues to investigate using qualitative and quantitative data • Identify key regulatory and risk issues from a variety of sources of information e.g. on-boarding of a new client, starting a new business line • Identify any breaches of regulatory rules or risk best practice • Demonstrate understanding, and apply basic statistical concepts using appropriate tools to perform an investigation or analysis of quantitative and qualitative data • Communicate technical information to non-technical audience e.g. explain the regulatory and risk implications of a particular client transaction to a sales person • Examine large volume of data and establish trends/find patterns • Test quantitative data to check for errors or invalid results • Carry out financial projections of customer/client and company activities • Apply regulatory rules or concepts to a scenario or process • Apply risk best practice to a basic scenario or process • Carry out a year-end review of internal report/documents |

| Knowledge specific to Performance Outcome | Skills specific to Performance Outcome |
|--|---|
| <ul style="list-style-type: none">• Company reports• Basic rating agency reports• Basic regulatory paper | <ul style="list-style-type: none">• Produce summary and impact analysis on client/ own firm within the context of a regulatory rule |

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