

Paraplanning

Purpose

At the end of this unit, candidates should be able to demonstrate an understanding of:

- the regulatory, legal and ethical frameworks of paraplanning;
- the client's personal and financial circumstances;
- the financial planning requirements of the client;
- providing potential solutions.

Summary of learning outcomes

1. Explain the regulatory, legal and ethical frameworks of paraplanning;
 2. Evaluate the client's personal and financial circumstances;
 3. Analyse the financial planning requirements of the client and provide potential solutions.
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Entry guidance

It is assumed that the candidate already has the knowledge and application skills gained from a study of Ro2 Investment principles and risk and Ro3 Personal taxation.

Important notes

- **Method of assessment: completion of 3 coursework assignments.**
- **Please refer to the website www.cii.co.uk/qualifications for details on the overall scheme available to students.**

- 1. Explain the regulatory, legal and ethical frameworks of paraplanning**
 - 1.1 Describe the regulatory framework within which paraplanning operates;
 - 1.2 Explain the legal implications of obtaining and using client information;
 - 1.3 Explain the importance of ethical standards in paraplanning.

- 2. Evaluate the client's personal and financial circumstances**
 - 2.1 Assess fact find information, including the risk profile and client specific objectives;
 - 2.2 Apply and evaluate the use of financial planning tools as appropriate:
 - Cash flow analysis;
 - Net worth statements.
 - 2.3 Assess the client's tax position, including performing relevant tax calculations.

- 3. Analyse the financial planning requirements of the client and provide potential solutions**
 - 3.1 Provide a document suitable for presentation to the financial adviser:
 - Assessing the appropriateness of current financial solutions;
 - Outlining the options available with relevant analysis.
 - 3.2 Provide a compliant document suitable for presentation to the client:
 - Summarising the current position;
 - Analysing the benefits and drawbacks of options;
 - Making recommendations with justifications. This should include specific justifications;
 - Disclosing costs and charges.
 - 3.3 Explain the importance of ongoing monitoring and review.

Reading list

The following list provides details of various publications which may assist you with your studies.

Note: The examination will test the syllabus alone.

The publications will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to www.cii.co.uk/knowledge or email knowledge@cii.co.uk.

CII study texts

Paraplanning. London: CII. Study text Jo9.

Investment principles and risk. London: CII. Study text Ro2.

Personal taxation. London: CII. Study text Ro3.

Books

Financial calculations. Sarah Dingley-Brown. Annual. Totnes, SDB Training.

Investments. 10th global edition. Zvi Bodie, Alex Kane, Alan J. Marcus. Berkshire: McGraw-Hill, 2014.

Investments: principles and concepts. Charles P Jones. Wiley, 2014.

Mastering financial calculations: a step-by-step guide to the mathematics of financial markets instruments. 3rd ed. Bob Steiner. Harlow: FT Prentice Hall, 2012.*

The Financial Times guide to investing. 3rd edition. Glen Arnold. FT Prentice Hall, 2014.

Journals and magazines

Financial adviser. London: FT Business. Weekly. Also available online at www.ftadviser.com.

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Also available at www.thepfs.org/knowledge (CII/PFS members only).

Investment adviser. London: Financial Times Business. Weekly. Also available via www.ftadviser.com.

Investment week. London: Incisive Financial Publishing. Weekly. Available online via www.investmentweek.co.uk.

Investor's chronicle. London: Financial Times Business. Weekly. Also available at www.investorschronicle.co.uk.

Money management. London: FT Business. Monthly. Also available via www.ftadviser.com.

Money marketing. London: Centaur Communications. Weekly. Also available online at www.moneymarketing.co.uk.

Society. Six issues a year. Available online via www.cii.co.uk/knowledge (CII/PFS members only).
Financial Times. London: Financial Times. Daily. Also available online at www.ft.com.

Further articles and technical bulletins are available at www.cii.co.uk/knowledge (CII/PFS members only).

Reference materials

Dictionary of banking and finance. P H Collin. A&C Black, 2005.*

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2007.*

Lamont's glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009. Also available online via www.cii.co.uk/lamont (CII/PFS members only).

*Also available as an ebook through Discovery via www.cii.co.uk/discovery (CII/PFS members only).

Exam technique/study skills

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

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at www.cii.co.uk/iilrevision (CII/PFS members only).