

# Securities advice and dealing

## Purpose

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

- the features and risks of different securities;
- the structure and features of the securities market;
- relevant factors and considerations for appropriate investment recommendations.

Summary of learning outcomes	Number of questions in the examination*
1. Analyse the characteristics, features, behaviours and risks of securities and equities in the context of the market for these products.	39
2. Understand the structure, features, and regulatory and trading environment of the securities market.	9
3. Apply dealing principles and practice relevant to client investment activity.	3
4. Understand clearing, settlement and custody principles and practice relevant to client investment activity.	4
5. Assess the factors that influence market behaviour relevant to investment advice.	5
6. Apply the relevant factors and considerations to decide and implement appropriate investment recommendations.	15

\*The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

## Important notes

- Method of assessment: 60 multiple choice questions (MCQs) and 3 case studies, each comprising 5 MCQs. 2 hours are allowed for this examination.
- This syllabus will be examined from 1 September 2018 to 31 August 2019.
- Candidates will be examined on the basis of English law and practice in the tax year 2018/2019 unless otherwise stated.
- It should be assumed that all individuals are domiciled and resident in the UK unless otherwise stated.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
  1. Visit [www.cii.co.uk/qualifications](http://www.cii.co.uk/qualifications)
  2. Select the appropriate qualification
  3. Select your unit on the right hand side of the page

- 1. Analyse the characteristics, features, behaviours and risks of securities and equities in the context of the market for these products.**
  - 1.1 Analyse the characteristics, features, behaviours and risks of debt securities.
  - 1.2 Analyse the characteristics, features, behaviours and risks of equities.
  - 1.3 Explain the characteristics, features, behaviours and risks of the main competing asset classes and onshore/offshore investment products.
- 2. Understand the structure, features, and regulatory and trading environment of the securities market.**
  - 2.1 Describe the key features of the main trading markets.
  - 2.2 Describe the role, structure and regulation of the global securities market.
- 3. Apply dealing principles and practice relevant to client investment activity.**
  - 3.1 Apply dealing principles and practice.
- 4. Understand clearing, settlement and custody principles and practice relevant to client investment activity.**
  - 4.1 Explain the principles and practices of clearing, settlement and custody.
- 5. Assess the factors that influence market behaviour relevant to investment advice.**
  - 5.1 Assess the factors that influence investment markets and the movement of individual securities.
- 6. Apply the relevant factors and considerations to decide and implement appropriate investment recommendations.**
  - 6.1 Analyse the full range of objective and subjective client information and the different investment options.
  - 6.2 Recommend appropriate investment options and/or asset allocations.

## Reading list

The following list provides details of additional resources which may assist you with your studies.

**Note: The examination will test the syllabus alone.**

The reading list is provided for guidance only and is not in itself the subject of the examination.

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

CII/PFS members can access most of the additional study materials below via the Knowledge Services webpage at [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge).

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

### CII study text

Investment principles and risk. London: CII. Study text R02.

Securities advice & dealing. London: CII. Study text J12.

### Books (and ebooks)

A practitioner's guide to MiFID. 2nd ed. Jonathan Herbst. London: Sweet and Maxwell, 2015.

European securities law. 2nd ed. Raj Panasar, Philip Boeckman. Oxford: Oxford University Press, 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. \*

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

The basics of finance: an introduction to financial markets, business finance, and portfolio management. Frank Fabozzi. London, Wiley, 2010.\*

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

The law of securities, commodities and bank accounts: the rights of accounts holders. Marek Dubovec. Cheltenham, Gloucestershire: Edward Elgar Publishing, 2014.

The theory and practice of investment management. Frank J Fabozzi. New Jersey: Wiley, 2011.

Understanding commercial property investment: a guide for financial advisers. Investment Property Forum, June 2015. Available online via [www.ipf.org.uk](http://www.ipf.org.uk).

## Journals and magazines

Financial adviser. London: FT Business. Weekly. Available online at [www.ftadviser.com](http://www.ftadviser.com).

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Available online at [www.thepfs.org/financial-solutions-archive](http://www.thepfs.org/financial-solutions-archive) (CII/PFS members only).

Investment adviser. London: Financial Times Business. Weekly. Also available via [www.ftadviser.com](http://www.ftadviser.com).

Investment week. London: Incisive Financial Publishing. Weekly. Available online via [www.investmentweek.co.uk](http://www.investmentweek.co.uk).

Investor's chronicle. London: Financial Times Business. Weekly. Available at [www.investorschronicle.co.uk](http://www.investorschronicle.co.uk).

Money management. London: FT Business. Monthly. Available online [www.ftadviser.com/brand/money-management](http://www.ftadviser.com/brand/money-management).

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

## Reference materials

International dictionary of banking and finance. John Clark. Hoboken, New Jersey: Routledge, 2005.\*

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

Lamont's financial glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009.

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

## Examination guide

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate ([www.revisionmate.com](http://www.revisionmate.com)). Details of how to access Revisionmate are on the first page of your study text.

It is recommended that you only study from the most recent version of the examination guide.

## 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](http://www.cii.co.uk/iilrevision) (CII/PFS members only).