

Paraplanning

Purpose

This unit enables financial planning professionals to develop knowledge and understanding of the role of the paraplanner in providing financial services, and how to evaluate and analyse the customer's financial circumstances to provide potential solutions.

Learning Outcomes

At the end of this unit, candidates will be able to:

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

Entry guidance

It is assumed that the candidate already has the knowledge and application skills gained from a study of R02 Investment principles and risk and R03 Personal taxation.

Important notes

- Method of assessment: completion of 3 coursework assignments.
- Coursework assignments should be based upon the English legislative position at the time of submission.
- Resubmissions need not be updated to a new legislative position or tax year when they are resubmitted after the original date of submission.
- Candidates should refer to the CII website for the latest information on changes to law and practice:
 1. Visit www.cii.co.uk/qualifications
 2. Select the appropriate qualification
 3. Select your unit from the list provided
 4. Select qualification update on the right hand side of the page

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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 in the form of a Suitability Report appropriate 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. However, it is important to read additional sources as 5% of the exam mark is allocated for evidence of further reading and/or the use of relevant examples.

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

The publications listed here provide a wider coverage of syllabus topics.

CII study texts

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

Personal taxation. London: CII. Study text R03.

Journals and magazines

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

Investment adviser. London: Financial Times Business. Weekly. 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. Available at www.investorchronicle.co.uk.

Money marketing. London: EMAP Publishing Limited. Weekly. Available online at www.moneymarketing.co.uk.

Personal finance professional. London: CII. Four issues a year. Available online at www.pfp.thepfs.org (CII/PFS members only).

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

Reference materials

International dictionary of banking and finance. John Clark. Hoboken, New Jersey: Routledge, 2013.*

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2013.*

* Also available as an eBook through eLibrary via www.cii.co.uk/elibrary (CII/PFS members only).

Exemplar paper

An exemplar paper is available for this unit. It is available on the CII website under the unit description / purchasing page. You will be able to access this page from the Qualifications section of the CII website: www.cii.co.uk/qualifications.

The exemplar paper is also available on the RevisionMate website ciigroup.org/login after you have purchased the unit.

Technique/study skills

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