T-LEVELS | Institute for Apprenticeships & Technical Education

T LEVEL

Technical Qualification in Finance

Specification

First teaching from September 2022

Version 1 December 2021

Pearson

T Level Technical Qualification in Finance

Specification

First teaching September 2022

Version 1 December 2021

About Pearson

Pearson is the world's leading learning company, with 25,000 employees in more than 70 countries working to help people of all ages to make measurable progress in their lives through learning. We put the learner at the centre of everything we do, because wherever learning flourishes, so do people. Find out more about how we can help you and your learners at qualifications.pearson.com

Publication code VQ000178

Welcome to career-ready education

T Levels are new two-year, Level 3 study programmes that will follow the study of GCSEs and Technical Awards at Key Stage 4 and offer an attractive alternative to A Levels and Apprenticeships. T Levels will combine classroom theory, practical learning, and a minimum 315 hours of industry placement with an employer to make sure students have real experience of the workplace.

The Technical Qualification (TQ) is the main classroom-based element of the T Level and students will learn from a curriculum that has been shaped by industry experts. During the two-year programme, students will learn the core knowledge that underpins each industry, and they will also develop occupationally specific skills that will allow them to enter skilled employment within a specific occupation.

The T Level programmes have been developed in collaboration with employers and businesses so that the content meets the needs of industry and prepares students for work. They provide the knowledge and experience needed to open the door to highly skilled employment, an Apprenticeship or higher-level study, including university.

Technical Qualification and collaboration

The Outline Content for the *T Level Technical Qualification in Finance* has been produced by T Level panels of employers, professional bodies, and providers, based on the same standards as those used for Apprenticeships. Employers involved in designing the Outline Content include the Bank of England, London Institute of Banking and Finance, Lloyds Banking Group and AAT.

Pearson has used the Outline Content to form the basis of the Technical Qualification specification. This includes:

- elaboration of the Outline Content to produce a specification that gives Providers an accurate interpretation of what needs to be taught and assessed
- enabling students to achieve threshold competence in relation to each Occupational Specialist Component
- the integration of English, maths and digital competencies.

Students who complete a *T Level Technical Qualification in Finance* will be able to choose between moving into a skilled occupation or further study including higher education; for example, a higher or degree level Apprenticeship, or higher-level technical study. Therefore, it was essential that the qualification was developed in close collaboration with experts from professional bodies, businesses, and universities, and with the Providers who will be delivering the qualification.

Our engagement with experts during the development of the qualification ensures the content will meet your needs and give students quality preparation to help them progress. We are grateful to all university and further education lecturers, teachers, employers, professional body representatives and other individuals who have generously shared their time and expertise to help us develop this new qualification.

Employers and professional bodies who have worked with us, including:

- Santander
- RU Group
- Ashton Lark
- SimplyBiz
- LGT Vestra

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1. Qualification summary and key information

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<tr><td colspan="2">Total Qualification Time (TQT)</td><td colspan="6">1310 TQT</td></tr>
<tr><td>First registration:</td><td>September 2022</td><td colspan="4">Recommended age range:</td><td colspan="2">16–19</td></tr>
<tr><td>Core Component:</td><td>500 GLH
610 TQT</td><td>Grade:</td><td colspan="5">A*–E, unclassified</td></tr>
<tr><td>Assessment component</td><td>Assessment method</td><td>Duration</td><td>Marks</td><td>Weighting</td><td>Timetable</td><td>Availability</td><td>Marking approach</td></tr>
<tr><td>Core Paper 1</td><td>Written examination</td><td>2.5 hours</td><td>90</td><td>33.3%</td><td>Set date/time</td><td>June
November</td><td>Externally marked</td></tr>
<tr><td>Core Paper 2</td><td>Written examination</td><td>2.5 hours</td><td>90</td><td>33.3%</td><td>Set date/time</td><td>June
November</td><td>Externally marked</td></tr>
<tr><td>Employer Set Project</td><td>Externally set project</td><td>14 hours and 30 minutes</td><td>90</td><td>33.3%</td><td>Windowed</td><td>May
November</td><td>Externally marked</td></tr>
<tr><td>Occupational Specialist Component:</td><td>600 GLH
700 TQT</td><td>Grade:</td><td colspan="5">Unclassified, P, M and D</td></tr>
<tr><td>Retail and Commercial Banking Analyst</td><td>Externally set project</td><td>13 hours 25 minutes</td><td>206</td><td>100%</td><td>Task – specific window/set date and time</td><td>March/April</td><td>Externally marked</td></tr>
<tr><td>Investment Banking and Asset and Wealth Management Analyst</td><td>Externally set project</td><td>13 hours 25 minutes</td><td>206</td><td>100%</td><td>Task – specific window/set date and time</td><td>March/April</td><td>Externally marked</td></tr>
<tr><td>Insurance Practitioner</td><td>Externally set project</td><td>14 hours 25 minutes</td><td>221</td><td>100%</td><td>Task – specific window/set date and time</td><td>March/April</td><td>Externally marked</td></tr>
<tr><td>Financial Compliance/ Risk Analyst</td><td>Externally set project</td><td>13 hours</td><td>200</td><td>100%</td><td>Task – specific window/set date and time</td><td>March/April</td><td>Externally marked</td></tr>
</table>

T Level Technical Qualification in Finance			
Qualification Number (QN)	610/0008/X		
First Registration Date	September 2022		
Approved Age Range	16–19		
Total Guided Learning Hours (GLH)	1100 GLH*		
Total Qualification Time (TQT)	1310 TQT*		
Assessment	All assessments are externally set and marked by Pearson.		
Grading Overview	**Core**	**Occupational specialism**	**Overall**
	All grades for this component will be on a scale of A*–E. unclassified	All grades for this component will be on a scale of Unclassified, Pass, Merit, Distinction.	The overall grade will be on a scale of Unclassified, Pass, Merit, Distinction, Distinction*#

* See Section 2 below for further information about GLH and TQT.

Pearson will not award the overall grade for the Technical Qualification. The overall grade will be awarded by the Institute for Apprenticeships and Technical Education (the Institute). See *Section 6 Technical Qualification grading, T Level grading and results reporting* for further information. If a student completes the assessments but is not successful in reaching the minimum threshold for the core and/or occupational specialism component, they will be issued with a U grade.

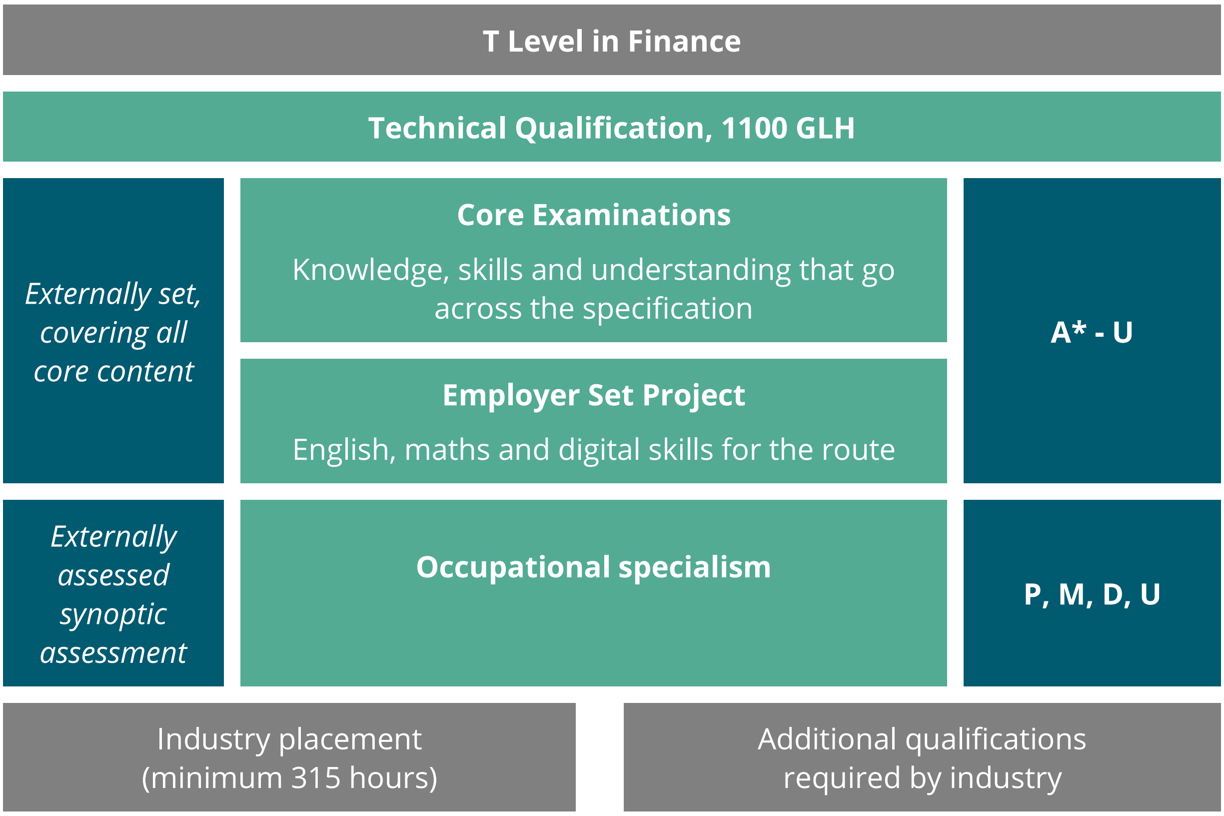
2. Introduction to the Technical Qualification in Finance

This specification contains all the information you need to deliver the *T Level Technical Qualification in Finance*.

This qualification forms the substantive part of the *T Level in Finance*, which includes other elements that need to be completed successfully for students to be awarded the T Level from the Institute for Apprenticeships and Technical Education (the Institute).

In addition to the Technical Qualification, the *T Level in Finance* will include:

- a 315-hour industry placement that is related to the finance sector.



Qualification structure

The *T Level Technical Qualification in Finance* has two mandatory components.

1. Core Component

This component covers the underpinning knowledge, concepts and skills that support threshold competence in the finance industry. It has 500 GLH and is assessed through two externally set Core Examinations and an Employer Set Project.

The content and details of each of these assessments are provided in *Section 3 Core Component*.

2. Occupational Specialist Component

There are four Occupational Specialist Components in this Technical Qualification, each are 600 GLH. Students undertaking the *T Level Technical Qualification in Finance* will choose **one** single specialism.

The Occupational Specialist Components are:

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

These components cover the occupational specialist knowledge and skills required to demonstrate threshold competence for the specialism. Each occupational specialism will be assessed by a skills-related project that synoptically assesses the performance outcome skills and associated underpinning knowledge.

The content and detail of the assessment for the Occupational Specialist Components are provided in *Section 4*.

Total Qualification Time (TQT) and Guided Learning Hours (GLH)

For all regulated qualifications, we specify a total number of hours that students are expected to undertake in order to complete and show achievement for the qualification – this is the Total Qualification Time (TQT). The TQT value indicates the size of a qualification.

Within the TQT, we identify the number of Guided Learning Hours (GLH) that a centre delivering the qualification needs to provide. Guided learning means activities that directly or immediately involve tutors and assessors in teaching, supervising and invigilating students, for example lectures, tutorials, online instruction and supervised study.

As well as guided learning, there may be other required learning that is directed by tutors or assessors. This includes, for example, private study, preparation for assessment and undertaking assessment when not under supervision, such as preparatory reading, revision, and independent research. TQT and GLH are assigned after consultation with users of the qualifications.

The TQT and GLH for this qualification and the two components are shown below.

TQT:

- The *T Level Technical Qualification in Finance* has a TQT value of 1310.
- The Core Component has a TQT value of 610.
- The Occupational Specialist Component has a TQT value of 700.

GLH:

- The *T Level Technical Qualification in Finance* has a GLH value of 1100.
- The Core Component has a GLH value of 500.
- The Occupational Specialist Component has a GLH value of 600.

T Level Technical Qualification in Finance			
Total Guided Learning Hours (GLH)		Total Qualification Time (TQT)	
1100 GLH		1310 TQT	
Core Component		Occupational Specialist Component	
GLH	TQT	GLH	TQT
500 GLH	610 TQT	600 GLH	700 TQT

Technical Qualification aims and purpose

This Technical Qualification is for students who are undertaking the *T Level Finance*. It is intended for students who want to progress to a career in the finance sector.

The purpose of the *T Level Technical Qualification in Finance* is to ensure students have the knowledge and skills needed to progress into highly skilled employment, an Apprenticeship or higher-level study, including university, within the specialist area of finance.

At the end of the Technical Qualification, students are expected to demonstrate threshold competence, which means they have gained the core knowledge and skills related to finance and are well placed to develop full occupational competence with additional development and support once in employment in the finance sector.

Student profile and progression

Students undertaking this Technical Qualification will be 16–19 years old and in full-time education. They will have chosen a T Level as an alternative to A Levels, Applied Generals, or an Apprenticeship.

The typical student will likely have:

- a clear idea as to the industry sector they wish to pursue a career in
- an idea of the type of job role they'd like to explore as a career
- taken an active choice not to pursue an Apprenticeship or needs a Level 3 qualification to pursue a higher apprenticeship.

This Technical Qualification aligns to the Compliance and Risk Officer, Financial Services Administrator, Insurance Practitioner, and Investment Operations Technician Level 3 Apprenticeships and therefore supports progression to entry-level job opportunities in finance.

Job roles could include:

- Compliance officer
- Risk officer
- Financial adviser.

The jobs available to students will be based on their individual abilities in the finance sector and will be supported by their achievement of this qualification.

Alternatively, students could progress to other Level 3 Finance Apprenticeships to develop and gain certification of their occupational competence, or they could progress to higher-level Apprenticeships.

Where students may not have access to an Apprenticeship or would prefer a more academic route, they could progress to relevant Higher National Certificate (HNC) or Higher National Diploma (HND) programmes or degree programmes.

Students should always check the entry requirements for each degree programme with the relevant higher education provider.

Prior learning requirements

There are no formal prior learning requirements for the *T Level Technical Qualification in Finance*.

However, it is the Provider's responsibility to ensure the students you recruit have a reasonable expectation of success on the programme. Formal entry requirements are not set by Pearson, but we expect students to have qualifications at or equivalent to Level 2.

Students are most likely to succeed if they have:

- five GCSEs/international GCSEs at grade 4 or above, including English, Maths and Science, and/or
- Vocational Tech Award qualification(s) at Level 2 at Pass and above in a relevant subject, e.g. BTEC Tech Award in Business.

Students may demonstrate the ability to succeed in various ways. For example, they may have relevant work experience or specific aptitude shown through diagnostic tests or non-educational experience.

Transferring between T Levels

We expect some students to switch between T Levels. During Year 1, Providers should consider the degree of overlap between the two T Levels and the remaining time pre-assessment, to determine if transfers should be permitted. For funding purposes, it is important that students have made a decision about their T Level and occupational Specialism by the end of their first year. T Level Core assessments will vary in terms of content coverage, duration, and method, and therefore attainment from one T Level cannot count towards another.

What does the qualification cover?

The Technical Qualification content has been designed from the Outline Content created by the Institute for Apprenticeships and Technical Education (the Institute) and the Legal, Finance and Accounting T Level panel.

We have used the Outline Content to create the Technical Qualification specification and assessment, which has been validated by our own panel of employers and education providers to ensure it is appropriate for the progression routes identified in the above section.

Students will learn about the following topics:

- The business environment
- Careers within the finance and accounting professions
- Regulation
- Professionalism and ethics/equality, diversity and inclusion
- Security and risk
- Professional services
- Fundamentals of law
- Fundamentals of financial accounting

- Technology
- Data driven innovation/analytics and design thinking
- Research skills
- Project/change management and administration
- The financial services sector (finance pathway content)
- Professionalism and ethics (finance pathway content).

3. Core Component

The content of the Core Component has the Core Skills mapped to where there are opportunities to develop them. The competencies and skills are not expected to be developed at every point where they are mapped; but using this guidance tutors will be able to embed them into teaching to prepare students for the assessments in the Core Component.

The Core Skills are assessed through the Employer Set Project. The Core Skills for this Core Component are:

- Research and analyse qualitative and quantitative data
- Convey information clearly to a technical and non-technical audience tailored in a way that suits them
- Work collaboratively as a team to make recommendations that meet customer needs
- Apply an ethical approach to solving problems and meeting complex customer needs
- Demonstrate compliance with regulations and codes of conduct.

Detailed content

Please note the terms ‘business’ and ‘business organisations’ are used throughout the Outline Content and are intended to be inclusive and encompass various types of establishment, such as private, public, voluntary, sole trader, partnership, limited company, start-up, franchise, international.

Element 1: The business environment	
1.1	***The fundamentals and principles of business and how they are applied*** • 1.1.1 The role of business in society to: o provide goods and services to meet consumer needs and wants at a price they are willing to pay o provide employment and associated training opportunities o contribute towards the government's economic and social priorities o pay taxes, which can be used to pay for improvements to the infrastructure and contribute towards social welfare including education and health services o enhance the economic security of the country in the face of overseas competition from imported foreign goods. • 1.1.2 The contribution of finance businesses to supporting the role of business in society including as: o providers of finance to business o providers of finance to consumers o deposit holders o financial advisers. • 1.1.3 Fundamentals of business: o the purpose of business activity: to supply goods and services to meet the demands of the consumer: to make a profit o the factors of production: labour, capital, raw materials (land) and entrepreneurship o the role and importance of entrepreneurship to a business: identifying gaps in the market, innovating and creating new products, creating a competitive edge for a business and promoting business growth identifying and addressing business risks o the characteristics of a competitive market economy and the implications for business: many buyers and sellers, the profit motive, limited government intervention, private ownership of the factors of production, similar products o the interrelationship between manufacturing, wholesalers and retailers: production (manufacturing); bulk purchasing from manufacturers (wholesalers); divided into smaller quantities for sale to the end consumer (retailers) o the characteristics of and differences between private and public sector organisations: aims, ownership and control, finance. • 1.1.4 Principles of business: o management and control – the function of management to control the factors of production and business processes within the available resources to contribute to the aims and objectives of the business o financial prudence – including budget setting, monitoring and control; monitoring cash flow; efficient procurement practices

- market conduct – including pricing policies; marketing strategies; response to competitors
    - customer’s interest including price, quality, customer service, safe and reliable products
    - skill, care and diligence including importance of trained and competent staff; professional codes of conduct
    - relations with regulators including changing organisational practices and policies to meet the requirements of the regulators, providing constructive feedback to regulators on any proposed changes to the regulatory framework.
- 1.1.5 Business aims and objectives:
    - private: profit, growth, diversification, competitiveness, efficiency, cover costs (break-even), survival, market leadership
    - public: service provision, cost control, value for money, service quality, meeting government standards
    - not-for-profit: raise funds and accept donations in order to generate surpluses; invest in social, environmental or cultural initiatives.
- 1.1.6 Business priorities: long-term strategic plans, medium-term operational plans, short-term business tactics.
- 1.1.7 Business contexts, drivers for change and their challenges:
    - organisational context: ownership and management accountability – the competing interests of owners and other stakeholders and the role of management in addressing these competing interests
    - financial context: revenue, profit, shareholder value, investors, raising business finance – the challenge of retaining profit at the expense of distributing profits to shareholders; the factors to take into account when raising business finance, costs; returns on investment and the impact on revenue and cash flow; capital depreciation
    - market context: meeting the needs of consumers, the influence of competitors – identifying consumer needs and trying to reconcile the relationship between price, quality and costs when responding to competitive market pressures
    - human resources: skills shortages, recruitment, remuneration, contracts, incentives, promotion, training, development, unions, industrial action, workforce motivation, working practices, technology and globalisation.
- 1.1.8 Global business environment: features and challenges of globalisation and the role and influence of financial markets in the economy:
    - features of globalisation: the growing interdependence of the world's economies, cultures, and populations, and the spread of products, technology, information and jobs across national borders
    - global economy markets: consumer (retail), business (B2B) and government (B2G) (local, national, and international), opening access to borrowing, lending and investing worldwide

	o global trading: – global money market: foreign exchange, short-term loans – global capital market: primary and secondary markets, equity securities (stocks and shares) long-term debt securities (bonds), commodities o challenges of globalisation: Fintech disruption to traditional banking, global banks sharing risk, stability, need for unified reporting standards to improve transparency of and reduce inconsistencies. • 1.1.9 Opportunity cost, its application and the relationship between opportunity costs, risks and profit. • 1.1.10 Internal and external stakeholders, their differing and competing needs and influence on business success. • 1.1.11 The need for confidentiality when dealing with stakeholders in specific contexts including contract negotiations with customers and suppliers; merger negotiations.
1.2	***Common business models and organisational structures*** • 1.2.1 Common business models, their features, advantages and disadvantages and liability implications: sole trader, partnerships and private/public limited companies; corporations as entities which can sue and be sued. • 1.2.2 Franchises in finance and their features, advantages and disadvantages for franchisors and franchisees, the implications for consumers. • 1.2.3 Organisational structures, their features, advantages and disadvantages: functional, flat, hierarchical, divisional and matrix structures. • 1.2.4 The functions of key operational areas in different finance organisations including: o banks: retail banking division; wholesale banking division; international banking; wealth management and investment services; e-banking, small business division; account assistants; customer service, share dealing service o insurance companies: life assurance; general insurance (car, property etc.) underwriting, investment management; actuaries, claims, new business, pensions o building societies: mortgages division; savings; new business; ancillary services property and life insurance) o other areas covered by finance organisations: financial planning, tax advice. • 1.2.5 Functions and roles in finance: o functions: analysing, advising, planning, managing, reporting o roles: retail and commercial banking analyst, investment banking and asset wealth management analyst, insurance practitioner, financial compliance risk analyst.

	• 1.2.6 Influence of legislative, regulatory and operational frameworks on organisational structures: o financial: including the ability of sole traders, partnerships and limited companies to raise business finance given their legal status o legal: including the legal basis of sole traders, partnerships and partnership agreements, limited liability partnerships and limited liability companies: legislation impacting on business including employment law, health and safety and data protection o reputational: including ethical behaviour of financial professionals and the impact on consumer behaviour o management: including the size of the business and its relationship to organisational structure and management specialisation o procurement and supply: including the size of the business and the potential economies to be obtained in the procurement process o taxation-related issues: including different taxation requirements for sole traders and partnerships and limited companies o market, profit and growth-related implications: including business strategy and its implications on operational priorities.
1.3	***The responsibilities of corporate governance within an organisation*** • 1.3.1 The role of agency theory in relation to the separation of ownership and control. • 1.3.2 The principles of corporate governance in relation to: o leadership and company values o executive and non-executive director responsibilities o composition and appointments and audit o risk and internal control. • 1.3.3 The role of the auditor; types of audit opinion arising from a financial audit; the implications for governance. • 1.3.4 The response of the Board of Directors to internal audit reports and recommendations. • 1.3.5 The relationship between corporate governance decisions and operational management responsibilities and practices. • 1.3.6 The role of the Board of Directors including the looking after of shareholder interests, determining business strategy, performance monitoring, compliance. • 1.3.7 The concept of incorporation and the rights of direct and indirect shareholders. • 1.3.8 The purpose of regulatory operational frameworks: o accounting and reporting standards – International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and (FRS). • 1.3.9 Financial Reporting Standards: unlimited versus limited liability, taxation, Financial Conduct Authority (FCA), Financial Reporting Council (FRC). • 1.3.10 Operational framework: the elements of the conceptual framework.

<table>
<tr>
<td>1.4</td>
<td>
The principles of taxation and how they are applied

1.4.1 The principles of taxation and their impact on businesses:

raising revenue, influencing expenditure patterns, the redistribution of income and as a tool of fiscal policy.

1.4.2 UK tax legislation for Value Added Tax (VAT), Corporation Tax and payroll including National Insurance (NI) and Income Tax.
1.4.3 Tax laws regarding pensions:

the difference between private and occupational pension schemes
contributory and non-contributory pension schemes
tax liabilities on lump sum pensions pay outs and draw downs
tax liabilities on regular pension payments taking into account the personal allowances.

1.4.4 Types of UK taxation: direct tax: Income Tax, Corporation Tax; indirect tax: value added tax (VAT), excise and customs:

the features of direct and indirect taxation and their advantages and disadvantages.

1.4.5 The features of the main personal and business-related taxes:

Income Tax: how it is collected, Pay As You Earn (PAYE) personal allowances, tax bands
Corporation Tax: how it is collected; businesses liable to pay Corporation Tax; impact on retained and distributed profits
Value Added Tax (VAT): how it is collected; tax on purchase, exempt and zero-rated goods
National Insurance: tax on employment; employer and employee contributions
Capital Gains Tax: a tax on the profit made from the sale of assets such as share investments
devolved taxes: devolved tax raising powers to the Scottish, Welsh and Northern Irish parliaments including income tax bands, stamp duty on property sales and air passenger duty, regional and local taxes
progressive tax: investments, Income Tax, tax on earned interest from savings and bonds
regressive tax: property tax.

1.4.6 VAT tax rates in the UK: zero-rated, domestic or reduced rate, standard rate and exempt.
1.4.7 Overview of how taxation can be used to influence the level of economic activity in the economy including consumer demand, business output and employment.
1.4.8 Calculations of income tax using given tax rates and tax bands.
1.4.9 Calculations of tax applied to accountancy:

input and output tax
inclusive of VAT, exclusive of VAT.

</td>
</tr>
</table>

	• 1.4.10 Calculations of the impact of changes in Corporation Tax on distributed profits and profit for the year; tax allowances for business. • 1.4.11 The influence of the budget and fiscal policies relating to taxation and government spending: o the tax legislative cycle and how new tax is formed: The Budget (Finance Act). • 1.4.12 Preparing and filing a tax return, reporting errors in the tax return to HMRC.

1.5	***The role of the government in controlling and directing the economy***
	• 1.5.1 Government economic policies including control of inflation, economic growth, employment and the promotion of international trade.
	• 1.5.2 Government policy tools that impact on businesses and the economy: fiscal and monetary policies.
	• 1.5.3 The role of government in market failures: the banking crisis, monopoly power.
	• 1.5.4 Public sector organisational structure and culture:
	  o the role of the public sector in delivering services
	  o public accountability, public administration and public management services
	  o funding and financial management aspects of the public sector including central and local government, the NHS and other relevant bodies.

1.6	***Solutions-based approaches to decision making in finance***
	• 1.6.1 The different types of decisions that occur in organisations and the features of a solutions-based approach to decision-making:
	  o Types of decisions:
	    – Tactical: immediate decisions
	    – Operational: short-term decisions
	    – Strategic: long-term decisions.
	• 1.6.2 Decision-making models:
	  o rational decision model: a series of logical steps: useful in formulating long-term business strategy:
	    – identify the need for a decision
	    – gather relevant information
	    – identify the alternatives
	    – weigh the evidence
	    – choose among alternatives
	    – implement actions
	    – review the decision and its impact
	  o bounded-rationality decision model: used when decision-makers have insufficient time or management information: can be applied for short-term operational decisions
	  o intuitive decision-making model: using instinct to make immediate/ tactical decisions

	o solutions-based approach to decision-making: – searching for solutions rather than problems – future-focused – goal-directed – need for change o the triple-bottom line decision-making model: in addition to identifying the financial benefits, business decision-makings identify the environmental and social impacts. • 1.6.3 Costs v financial and non-financial benefits (including public benefit) of business decisions: o financial costs to the business : including labour, capital (including depreciation), raw materials o financial benefits to the business: including profits and profit margins, efficiency gains (lower average costs) o non-financial benefits to the business: including productivity, increased market share, lower labour turnover, quality improvements, customer loyalty and retention o public benefit resulting from business decisions: – environmental impact of business decisions including carbon emissions, waste reduction, use and promotion of renewable energy – social impact of business decisions including employment, social welfare (health and mental health), standard of living, equality and diversity implications.
1.7	***The factors influencing the quality and effectiveness of business decisions*** • 1.7.1 'What-if?' analysis and scenario planning, and their importance. • 1.7.2 Determining the financial and non-financial benefits of business decisions. • 1.7.3 Ethics of decision making and responsibility in the finance industry. • 1.7.4 The impact of leadership styles, organisational culture and corporate social responsibility on decision making. • 1.7.5 Practical implications including: o time o skills, knowledge and understanding of the decision-makers o costs o personal/organisational bias: ignoring information which does not fit with personal beliefs or organisational culture.
1.8	***Analysis of the internal and external business environments*** • 1.8.1 Influences within the internal business environment: mission, values, objectives, leadership styles, organisational structure, culture and stakeholder engagement. • 1.8.2 Influences within the external business environment including government policies, indirect stakeholders, competitive pressures, globalisation.

	• 1.8.3 Situational analysis and its use in determining key influences:
	  ○ SWOT analysis (strengths, weaknesses, opportunities and threats) its contribution and application to the internal and external business environment
	  ○ STEEPLE analysis (social, technological, economic, environmental, political, legal and ethical) its contribution and application to the external business environment.

Element 2: Careers within the finance professions	
2.1	***The roles and responsibilities of finance professionals*** • 2.1.1 Professional roles and responsibilities including: ○ financial adviser, insurer, insurance broker, stockbroker, loss adjustor, mortgage adviser, wealth management professional, relationship manager, finance analyst, day trader, restricted financial planner, banker, risk analyst. • 2.1.2 Advantages of these roles for private individuals and business.

2.2	***The different aspects of professional financial services***
	• 2.2.1 Businesses and organisations engaged with financial services in the private, public and third sectors of the economy:
	  ○ national and international professional financial services
	  ○ private companies: sole traders, partnerships, limited companies, multinational corporations
	  ○ public sector departments: government ministries –Treasury, education, NHS, local authority finance departments
	  ○ voluntary/not-for-profit and charitable organisations.
	• 2.2.2 The specialist financial services providers:
	  ○ brokers: the role of a broker in the insurance sector and share dealings
	  ○ retail, investment, merchant, central and internet banks: features and objectives
	  ○ asset management firms: features and objectives
	  ○ corporate banks: corporate customers; loans; trade finance; deposit accounts; finance of international trade
	  ○ building societies: features and objectives
	  ○ insurance companies: differences between mutual and proprietary insurance companies; general and life assurance companies.

2.3	***Role of financial functional areas/departments within organisations***
	• 2.3.1 Different functional areas within a finance department:
	  ○ financial accounting
	  ○ financial systems
	  ○ financial planning
	  ○ budgeting
	  ○ payroll

2.4	***The qualifications and competencies that are essential for financial positions***
	• 2.4.1 Professional characteristics:
	  o autonomy
	  o accountability
	  o ethical behaviour
	  o specialised knowledge
	  o adheres to codes of professional conduct
	  o qualified/licensed to practice
	  o represented by professional bodies.
	• 2.4.2 Professional competencies:
	  o the traits/technical and personal skills
	  o knowledge and attributes expected to do the job
	  o use of reflective practice to understand how to improve own work and skills.
	• 2.4.3 Main routes into finance professions and their advantages and disadvantages:
	  o university degrees: costs; may not offer internships; exemptions from some professional qualifications; loss of potential income whilst studying full-time
	  o specialist qualifications: may be expensive; some employers will pay the fees on behalf of employees
	  o professional body examinations: may be expensive; study in own time; gain membership of professional bodies and in some instances international recognition of the qualification; some employers may contribute to costs of the examinations; may open up additional career opportunities and progression pathways
	  o professional and skill updating: keep up to date with current legislation and finance regulations
	  o government initiatives/apprenticeships: high quality work placements; financial support to employers; employees may only be paid the National Minimum Wage/National Living Wage.
	• 2.4.4 Specialist job roles for finance professionals:
	  o retail and commercial banking analyst: establishes financial goals; advice on appropriate bank accounts and bank financial products; investments planning and advice; cash management; implementing business plans
	  o financial compliance/risk analyst: identifies and analyses potential risks threatening financial positions using market research and risk calculations for transactions and decisions
	  o insurance practitioner: provides advice to clients on different classes of insurance (life, general, business) which address specific risks; provide advice on investment opportunities linked to insurance policies
	  o insurance broker: acts as an intermediary between an insurance company and an individual or commercial consumer; assists consumers in finding a suitable policy
	  o commercial client relationship manager: builds and maintains relationships with new and existing clients, solicits company products

	o mortgage adviser: has in-depth knowledge of the market, assists in application process, gives advice on mortgage options and repayment o asset wealth management analyst: manages money investments including stocks and bonds, portfolio of products; overall financial planning including tax and insurance, long-run protection o foreign exchange trade (forex), trades currencies on the foreign exchange, online inter-bank market o investment banker, manages initial public offerings (IPO), negotiates mergers, raises capital for corporations. • 2.4.5 The challenges arising for private individuals and organisations of skills shortages of finance professionals: o difficulties of obtaining up-to-date financial advice from qualified finance professionals o roll-out of developments in technology which improve financial services in the finance sector is hampered o the global economy provides the opportunity for UK finance professionals to obtain employment outside the UK resulting in skills shortages in the UK. • 2.4.6 The advantages and disadvantages for the business and the individual of professional competence and accreditation being obtained via off-the job or on-the-job training schemes and accreditation routes.
2.5	***Building and maintaining long-term relationships with customers*** • 2.5.1 Building and maintaining long-term relationships with customers: o having professional, competent and qualified staff o understanding customer needs o understanding products o providing high levels of customer service o gaining referrals from trusted sources. • 2.5.2 Customer needs analysis and its importance: o determining financial needs of customer o sourcing customer information o reviewing customer needs on a regular basis.
Element 3: Regulation	
3.1	***Impact of events on global markets and financial services*** • 3.1.1 Political and environmental events that cause instability in global markets: o war, political instability in major trading nations, climate change. • 3.1.2 Overview of the financial factors that may cause a financial crisis and influence the stability of the global financial system: o high levels of credit provided to high-risk/low income individuals/businesses o a sudden drop in asset prices o run on banks due to lack of confidence by depositors o level of regulation of financial services insufficiently robust o speculation on the financial markets

	- o economic policies, interest rates and inflation rates in major economies resulting in a significant decrease in economic activity; a significant increase in unemployment; hyperinflation. 3.1.3 Influence of the financial crisis 2008 on the financial sector in the UK and its impact: - o the main financial audit opinions relating to financial statements and their impact (unqualified opinion; qualified opinion; disclaimer of opinion; adverse opinion) - o risks, compliance and recommendations made by internal auditors in respect of control systems and processes.
3.2	***The impact of regulatory change on the finance professions*** 3.2.1 Regulatory change including: - o confidentiality clauses - o data protection - o cyber security - o money laundering - o customer alerts for insufficient funds - o price caps on high-cost short-term credit - o guidance on financial health warnings. 3.2.2 Impact of UK audit and mis-selling scandals including Carillion plc, Thomas Cook and Payment Protection Insurance (PPI); some of the larger accountancy firms separate out their auditing and consultancy services to avoid potential conflicts of interests. 3.2.3 Current government regulations to oversee audit, reporting and governance.
3.3	***The role of regulators and their purpose and authority as licensing bodies*** 3.3.1 Function, role, purpose and responsibilities of the: - o Financial Services Compensation Scheme (FSCS): pays compensation to consumers in the event of failure of an authorised financial institution - o Financial Conduct Authority (FCA): authorises financial services; protects consumers with mortgages, credit, loans, savings and pensions; provides information and advice to consumers and issues penalties for infringements - o Financial Ombudsman Service (FOS): investigates consumer complaints against the business practices of financial institutions - o Financial Reporting Council (FRC): regulates auditors, accountants and actuaries - o Prudential Regulation Authority (PRA): supervisory role over banks, building societies, credit unions, insurers and investment companies for avoiding failure - o The Pensions Regulator (TPR) ensures that employers, trustees, pension specialists and business advisers can fulfil their duties to scheme members.
3.4	***The types of regulatory requirements that govern professional services and customer/client engagement*** 3.4.1 Regulated versus non-regulated products and services:

	o FCA regulated products: consumer credit activities, investment activities, home finance, insurance, electronic money o non-regulated products: investment products - gold, diamonds, crypto assets; high risk investments o regulatory safeguards to protect the interests of users of financial services. • 3.4.2 The difference between information and advice and guidance: information is based on facts and does not provide an opinion; whereas advice and guidance are recommendations based on opinion and not on fact and carries legal connotations. • 3.4.3 Protection for the consumer against mis-selling of financial products.
3.5	***An overview of current legislation relating to financial crime and money laundering*** • 3.5.1 Proceeds of Crime Act. • 3.5.2 Criminal Finances Act. • 3.5.3 The Money Laundering and Terrorist Financing (Amendment) Regulations. • 3.5.4 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations.
Element 4: Professionalism and ethics 1/equality, diversity and inclusion	
4.1	***Professional and ethical conduct which govern behaviour in finance workplaces*** • 4.1.1 The code of ethics finance professionals should consider: o compliance with the law o acting with integrity o treating suppliers, customers, partners and employees fairly and with respect o contributing to a healthy and safe workplace o respecting equality and diversity of the workforce o maintaining high standards in their finance department. • 4.1.2 Expectations of professional conduct, behaviours and attitudes, their purpose and value in a finance workplace: o respectful behaviour o ethical decision making o personal agency o appropriate social interaction in different contexts o sanctions for misconduct: warnings, fines and other financial penalties, suspension. • 4.1.3 Personal ethical behaviour in a finance workplace: doing the right thing, acting as whistleblower, showing respect to all, treating everyone in an inclusive way, recognising success of others. • 4.1.4 Professional conduct and responsibilities in financial workplaces: understanding organisational structure, roles, relationship to others, accountabilities and interdependencies, professional conduct and reputation. • 4.1.5 Professional code of conduct and its impact: the rules and regulations relating to employee behaviour.

	• 4.1.6 Impact of the regulatory frameworks and standards on the codes of conduct for the individual and the organisation.
	• 4.1.7 Client confidentiality and its importance:
	  o rules of confidentiality and consistency in its interpretation
	  o the need to prevent the unauthorised disclosure of privileged information acquired from clients
	  o the obligation to protect the privacy and integrity of information from clients
	  o the need to ensure that information from clients is not used inappropriately
	  o duty of confidentiality versus duty of disclosure.

4.2	***Ethical dilemmas in finance workplaces***
	• 4.2.1 Ethical dilemmas in a financial context for the organisation and professionals:
	  o reputational risk: the good name or reputation of a business is put at risk, because of the actions it does or does not take in relation to its activity
	  o process risk: failure to comply with internal controls
	  o people risk: failure to obtain information about new employees such as knowledge, experience and qualifications
	  o systems risk: failure to back up the computer systems, failure to put controls into access of the computer system
	  o legal risk: failure to comply with the obligations of a contract or not enforcing a contract, not enforcing compliance with regulations or changes in legislation
	  o event risks: external to the company and can include physical event risks such as fire or flood, social event risks such as not paying a living wage, political event risks such as a new political act introducing additional compliance, and economic event risks such as rising interest rates on borrowing
	  o risk of unethical behaviour; this can be reduced by ensuring a good code of ethics or code of conduct
	  o individual employee risk; interpersonal relationships with co-workers may be impacted following a whistleblowing disclosure of unethical behaviour; the conflict between meeting challenging individual financial targets and selling practices
	  o selecting investments based on moral principles, money lending for cultural impact
	  o expectations of professional conduct, behaviour, attitudes and their value
	  o diligence in reviewing customer history, need to reveal full risk information when selling.

4.3	***The importance of maintaining professional competence and professional scepticism in finance*** • 4.3.1 Professional competencies and their importance: skills, knowledge, personal and technical attributes that are valued by the profession. • 4.3.2 Ways to maintain professional competence including continuous professional development, gaining additional qualifications and updating skills.

	• 4.3.3 Professional scepticism and its importance:
	  ○ being alert to any possible misstatement of factual information due to error or fraud
	  ○ the need for a questioning attitude and robust challenge where appropriate.

4.4	***Corporate responsibility and social purpose in finance businesses***
	• 4.4.1 The scope and purpose of environmental, social and governance (ESG) policies.
	• 4.4.2 Corporate social responsibility (CSR) policies:
	  ○ paying a fair wage
	  ○ producing and adopting a modern slavery statement
	  ○ ethical and fair trade
	  ○ promoting sustainability: public interest, promoting an ethics- based culture, championing sustainability, promoting sustainable practices, raising awareness of social responsibility
	  ○ responsible investing, the impact of companies on the environment, how companies look after their staff including supply chains
	  ○ inclusive digitalisation, supporting financial inclusion.
	• 4.4.3 Advantages for a finance business of acting responsibly:
	  ○ improved public opinion, brand image and reputation, increased levels of trust, continuing customer loyalty, ability to apply premium pricing, enhanced staff motivation.
	• 4.4.4 Implications for a finance business of acting responsibly:
	  ○ potential impacts on costs, profitability.

4.5	***The equality, diversity and inclusion requirements and their implementation in all areas of a business***
	• 4.5.1 Equality, diversity and inclusion in the workplace:
	  ○ employees and customers from a variety of backgrounds are actively welcomed and supported
	  ○ compliance with equality, diversity and inclusion legislation, policies and codes of practice in attitudes, actions and behaviours
	  ○ making reasonable adjustments to support any individual needs
	  ○ supporting vulnerable clients
	  ○ protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation
	  ○ avoiding unconscious bias.
	• 4.5.2 A general understanding of the current legislative areas:
	  ○ Equality Act:
	    – who is protected?
	    – types of discrimination
	    – actions to address discrimination
	  ○ Human Rights Act:
	    – who is protected?

<table>
<tr><td></td><td>
– who must comply?
– actions to address human rights violations.

4.5.3 Professional responsibilities and their value relating to equality, access and inclusion:

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.

</td></tr>
<tr><td colspan="2">Element 5: Security and risk</td></tr>
<tr><td>5.1</td><td>
The legislation for and the importance of good data management

5.1.1 The advantages of good data management including speed of data transmission and access, business planning, monitoring key performance indicators, budget setting and monitoring and business decision making.
5.1.2 The importance of maintaining privacy and confidentiality of business, client and colleague information:

the difficulties that may arise if these conflict with a duty of disclosure including legal responsibilities of disclosure, relationship with clients and corporate image.

5.1.3 Personal data governance and protection and its impact on data management.

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5.1.4 The implications for businesses of current data protection legislation and its impact on data management including data storage; access to data; timescales for maintaining data; lawful use of data; accuracy of data:

UK General Data Protection Regulation (UK GDPR)
Data Protection Act.

5.1.5 Payment Services Directive 2 (PSD2):

safer payments with banks, building societies, e-money institutions; bringing account data into one place giving a global view, two-factor authentication
legal requirement of storing data, GDPR applied to insurance, banking and investment, storing sensitive health insurance data.

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<tr><td>5.2</td><td>
The issues, challenges and impact of using IT systems for storing and transmitting information in digital form

5.2.1 Issues and challenges of storing data:

legal and regulatory requirements concerning the collection, storage and distribution of data
accidental and malicious threats to security of data: network threats, viruses and other malware, hackers, phishing, ransomware, accidental damage.

5.2.2 Impact of cyber-attacks on the business: financial, legal, reputational.
5.2.3 The purpose of cyber and data insurance and its importance.

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5.3	***How processes and protocols are used to ensure internet security and to protect the access and transmission of data***
	• 5.3.1 Processes and protocols:
	  ○ use of external servers
	  ○ backup and recovery procedures
	  ○ keeping protection software up to date
	  ○ firewalls
	  ○ file permissions
	  ○ access levels
	  ○ passwords
	  ○ physical access control
	  ○ digital certificates
	  ○ encryption of files and emails
	  ○ dealing with suspicious emails and attachments
	  ○ avoiding the use of insecure internet connections.
	• 5.3.2 The advantages and disadvantages of outsourcing data collection, data storage, management information and IT systems.

5.4	***The management of risk in a business***
	• 5.4.1 Risk areas: legal, governance, reputation, compliance, financial crime including fraud, operational, conduct.
	• 5.4.2 Risk reduction strategies:
	  ○ ensure efficient processes
	  ○ determine service failures
	  ○ ensure adequate risk assessment is conducted across all processes
	  ○ document and communicate processes
	  ○ update processes regularly.
	• 5.4.3 Risk management and using a risk matrix: identifying, analysing impact, evaluating and ranking, responding, monitoring and reviewing.
	• 5.4.4 Risk management strategies:
	  ○ avoidance: applying safeguards
	  ○ transference: transfer the risk
	  ○ mitigation: reduce the impact
	  ○ acceptance: accept the risk
	  ○ threats to compliance:
	    – self-interest: financial or other interests may inappropriately influence the member’s judgement or behaviour
	    – self-review: the threat that a re-evaluation of actions will not be undertaken
	    – advocacy: supporting the client's point of view publicly
	    – familiarity: being sympathetic because of a close or familiar relationship with a client
	    – intimidation: deterring someone from acting objectively by issuing threats (actual or perceived).

	o Fraud prevention strategy: – formulate a fraud risk operating model including a fraud prevention model with identified personnel responsible for monitoring its implementation – implementation processes and controls to detect, prevent and respond to fraud risks – ensure all employees are aware of the fraud prevention model and policy, fraud risks in operating practices and reporting procedures – make use of technology and analytics to capture and analyse potential fraudulent practices.
Element 6: Professional services	
6.1	***The role of third-party professionals and professional services*** • 6.1.1 Professional services providers: independent specialist contractors that offer customised, knowledge-based services to clients. • 6.1.2 Role of third-party professionals: o audit: reviewing the financial accounts of an organisation to ensure that they are valid and that they have been prepared in line with accounting regulation and frameworks o tax: advising businesses on how to complete tax returns and also specialising on ensuring they are adhering to legislation and regulation o actuarial: calculating and assessing future financial risks and making predictions using models and statistics o insurance: including brokers who advise on the most appropriate individual and commercial insurance portfolios; claims analysts who advise on insurance claims; risk management specialists who advise businesses on their approach to the identification and management of business risks o lenders: engaged in the marketing of loans such as mortgages, gathering information on loan applications from individuals and businesses, underwriting loans or funding loans o corporate finance: dealing with sources of funding, the capital structure of corporations, examining the actions that managers take to ensure profitability and maximum value to shareholders, and the tools and analysis used to allocate financial resources o experts: outsourced technology services, independent financial specialists. • 6.1.3 Risks associated with engaging third parties including professional conduct and ethical behaviour, relevant experience, disclosure of sensitive information, costs, profitability, privacy, compliance, reputational and strategic risks. • 6.1.4 Professional indemnity: o Professional Indemnity Insurance (PII), reasons for purchase and its limitations o insurance claims record and the impact of a poor claims record on PII premiums o requirements of professional indemnity insurers/providers.

	• 6.1.5 Importance of Service Level Agreements (SLAs) in financial services:
	  o contractual obligations
	  o working within the scope of engagement
	  o clear standards of service/delivery requirements
	  o customer service.

Element 7: Fundamentals of law	

7.1	***The principles and practice of business law and their application to finance businesses and professionals***
	• 7.1.1. The role of courts, tribunals and parliament in the law-making process.
	• 7.1.2 The framework of business law and its purpose:
	  o health and safety: published policy, health and safety officer, display screen equipment, employee training, risk assessments, regular fire drills
	  o data protection: secure storage, confidentiality, rules regarding disclosure, access arrangements
	  o consumer protection: rules relating to interest charges, hire purchase and credit purchase agreements
	  o employment legislation: equal opportunities, National Minimum Wage and National Living Wage, contract of employment, pay, working hours, holiday entitlement, parental leave, discrimination, bullying and harassment
	  o the features and purpose of copyright, patents, trademarks, design rights, intellectual property, and international quality and safety standards.
	• 7.1.3 Contract law and its purpose:
	  o express and implied contracts
	  o elements of a contract: offer, acceptance, consideration, intention to be legally bound
	  o express terms: conditions, warranties, innominate, individually agreed
	  o implied terms: by the courts, by statute or regulation
	  o exclusion clauses
	  o discharging a contract.
	• 7.1.4 Criminal law and its importance – an overview of the objectives of the legislation relating to terrorist funding, money laundering, criminal activity and bribery:
	  o Financial Services Act
	  o Payment Services Regulations
	  o Consumer Rights Act
	  o Proceeds of Crime Act
	  o Money Laundering Regulations
	  o The Terrorism Act.
	• 7.1.5 The impact of law from international sources, how laws from other countries and trading blocs affect the sale and purchase of goods and services.

7.2	***The Companies Act and its purpose***
	• 7.2.1 Purpose of the Companies Act.
	• 7.2.2 Formation of a company: key elements of the Articles and Memorandum of Association.
	• 7.2.3 Company directors' duties:
	  o 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
	  o penalties and other implications of non-compliance.
	• 7.2.4 Accounts and reports requirement to submit audited accounts to Companies House including a directors' report.

Element 8: Fundamentals of financial accounting	

8.1	***The types of financial data and their applicable calculations, origins and reliability and how they are presented***
	• 8.1.1The importance of business finance and the management of money in business.
	• 8.1.2 The difference between assets and liabilities; the difference between solvency and liquidity.
	• 8.1.3 Capital and revenue income/expenditure.
	• 8.1.4 The concept of liquidity and its importance:
	  o net current assets/liabilities: implications for a business of high/low liquidity levels
	  o the importance of liquidity (net current asset) management.
	• 8.1.5 The impact of straight line and reducing balance depreciation on the value of non-current assets and the statement of financial position.
	• 8.1.6 Internal and external sources of finance available to businesses:
	  o internal: retained profits, net current assets, sale of assets
	  o external: owner's capital, bank overdraft, hire purchase, leasing, trade credit, mortgages, shares, loans, debt factoring, grants, donations, invoice discounting, crowdfunding, venture capitalists and business angels.
	• 8.1.7 Basic accounting techniques and how they are applied:
	  o reasons for maintaining accurate financial records and the importance of financial audits
	  o the functions of bookkeeping and its contribution to the business
	  o fixed and flexible budgets, their features, application and their advantages and disadvantages
	  o budgetary controls and internal audit functions
	  o the use of cash flow forecasts and statements for planning, monitoring, control and target setting
	  o the difference between cash and profit and importance of cash flow.
	• 8.1.8 Elements within a set of financial accounts:
	  o assets; liabilities; expenses; revenue; capital; equity, gross and net profit (profit for the year).

	• 8.1.9 Completion of an income statement (statement of profit or loss) and a statement of financial position including adjustments and closing inventory. • 8.1.10 Types of financial data: o customer transactions, equity trading patterns, mortgage data, customer lending, deposits, credit, insurance policy holders.
Element 9: Technology	

9.1	***The contribution of digital tools and software to promoting business efficiencies***
	• 9.1.1 Contemporary digital tools and software and their impact:
	  o electronic transfer and filing of documentation including electronic tax returns
	  o digital document/management systems, procedure and compliance
	  o financial loyalty programmes including cross-selling of financial products such as mortgages and insurance products
	  o Management Information Systems (MIS) including electronic storage of business data, analysis of business data as part of the planning process including identification and monitoring of business risks
	  o automated case management including processing service requests from existing and potential customers
	  o commoditisation of professional services including financial products: commoditised, through the securitisation of mortgages or other individual loans into pooled investment products
	  o supplier onboarding including creating streamlined processes to build stronger buyer- supplier relationships that result in improved business outcomes for both parties
	  o digital firms: do not have traditional bricks-and-mortar offices, operating instead from the homes or satellite offices of professionals, usually delivering services to clients at a distance using technological means of communication, emails, social media, videoconferencing.
	• 9.1.2 Financial technology (Fintech):
	  o the purpose and characteristics of Fintech and its use of artificial intelligence (AI): drive innovation in financial sector, upgrade financial infrastructure, reduced IT costs, faster time to market for products and services
	  o the users of Fintech: B2B for banks, B2C for small businesses, consumers.

	• 9.1.3 The implications for financial service providers of service delivery and costs arising from digital transformation:
	  o service delivery:
	    – transactional and chat bots, digital assistants, robo-advisers
	    – financial loyalty apps
	    – payment gateways for merchant sites
	    – mobile wallets
	    – digital banks
	    – quickly settling bank transactions and stock transfers

	○ impacts: – enhanced customer service to meet customer expectations – contract analysis – client risk profiling and risk assessment – online dispute resolution – cloud banking and real-time customer data analytics – predictive analytics – block chain, speedy credit scoring and improved lending security ○ potential costs: – hardware – software – staff training – specialist in-house personal teams – depreciation costs – replacement costs – ongoing system upgrading – system security costs.
9.2	***The impact of technology on financial processes and systems, process automation and organisational roles*** • 9.2.1 Financial processes and systems, their impact and implications: ○ automation of accounts payable and receivable processing, supplier onboarding, procurement and audits ○ automation of process: use of commercial finance software ○ analysis of data: using Big Data to compile information from the accounts into control accounts automation of filling financial statements to Company House and also filing taxes such as mandatory payroll deductions and VAT to HMRC ○ robotics and sensors/tools to enable process automation and reduce human labour required to process financial transactions. • 9.2.2 The impact of process automation and digital transformation on: ○ job roles, capabilities and skill requirements. working practices, labour costs and productivity ○ consumer reach, quality of service delivery, customer expectations, feedback and satisfaction ○ financial performance in relation to investment costs and profitability ○ business process management (BPM) systems ○ the growth of online services and reduced high street presence ○ the use of cloud computing and cloud storage. • 9.2.3 The advantages and disadvantages of digital investment and funding opportunities including peer-to-peer (P2P) lending and crowdfunding.

	• 9.2.4 Digital and emerging technology in a finance context:
	  ○ Electronic Funds Transfer (EFT): between bank accounts, AI and conversational banking and anti-fraud risk
	  ○ digital transformation: AI to predict share prices and cloud computing for sophisticated investment data analytic
	  ○ impact of digital transformation: integration of technology into all areas of banking, insurance and investment, consumer facing financial services meeting customer expectations
	  ○ Business Process Management (BPM): processes used by bank users, banking software, the insurance customer journey and managing claims, aligning middle office (risk management) with back office (settlements) in investment banking.
	• 9.2.5 Automation of processes:
	  ○ intelligent automation machine learning for stock market analysis, algorithm-driven investment services
	  ○ robotics and sensors: Robotic Processes Automation (RPA), conversational AI, digital insurance agents, banking chat bots, robo-investment advisers.

Element 10: Data driven innovation/analytics and design thinking	

10.1	***Data architecture and data governance***
	• 10.1.1 Principles of data architecture: the set of rules that surround data collection, input, access and movement:
	  ○ allow for the efficient flow of data across the functional areas within financial organisations
	  ○ establish security systems to protect sensitive and confidential data from internal and external threats
	  ○ establish protocols for operational practices relating to data collection, input, access and movement
	  ○ ensure rules regarding data collection input and access are communicated across the business
	  ○ set clear goals to meet the requirements of the end-users including decision-makers
	  ○ ensure the validity of the data; map costs against benefits; maintain up-to-date data sets.
	• 10.1.2 Developments in reporting:
	  ○ the history of reporting and the influence of data driven innovation on the volume and value of management information provided to decision-makers; the use of data visualisation techniques to aid decision making including charts, diagrams, maps and dashboards
	  ○ the different types of analytics: descriptive, diagnostic, predictive and prescriptive

	- o the tools used to analyse data, their advantages and disadvantages: quantitative analysis through surveys and modelling; qualitative analysis through interviews and observations): – surveys: questionnaires; internet surveys; customer feedback scores for online purchase – observations: study of individual/group behaviour – modelling: methods of sampling; probability; correlation; measures of central tendency; forecasting and extrapolation (NOTE: calculations will not be required) – interviews: individual; focus groups; telephone interviews; online interviews. 10.1.3 Processes: - o real-time data storage for targeting adverts to customers on websites; card fraud detection - o combining data silos to bring investment and banking data into one place - o cross and upselling financial products - o tracking metrics for mortgages, savings and investments - o globally accessible insurance solutions - o data governance, managing data overload in financial services, protecting sensitive personal and financial client data. 10.1.4 The key requirements of a data governance framework: 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. 10.1.5 Types of financial data: customer transactions, equity trading patterns, share price movements over time by value and volume traded; mortgage data, customer lending, deposits, credit, insurance policy holders by class and customer type.
10.2	***Use of Big Data and digital management tools*** 10.2.1 Management Information (MI) and its importance for measuring performance, analysing trends, and in the decision-making process: - o the influence of developments and improvements in technology over time on the efficiency and effectiveness in reporting systems to ensure that the operating and financial data used by decision-makers in a business is accurate, relevant and up to date. 10.2.2 Customer Relationship Management (CRM) and its importance: - o insights enabling lifetime banking customers - o advantages: faster credit risk scoring, immediate risk assessment on stocks, financial fraud detection, Fintech platforms available to banks including anti-money laundering - o disadvantages: compromise of privacy for finance customers, biased data can mismatch financial products to needs. 10.2.3 Big Data: - o its application in customer engagement analytics and CRM - o advantages, challenges and limitations for an organisation of using Big data in relation to business strategy, productivity and innovation.

	• 10.2.4 Big Data characteristics: ○ volume: the explosion in global payments fuelled by ecommerce and mobile payments ○ variety: Big Data makes sense of unstructured data from a variety of sources in banking from transactions details to credit scores ○ velocity: incoming Big Data at high speed, extraction of insights into financial behaviour ○ veracity: the challenge of receiving accurate information from Big Data, attempting to manage the financial risk of a customer ○ structured and unstructured financial data sets. • 10.2.5 Reporting and analytics, reporting financial results, quality control to detect fraud, a visual overview of risk levels, customer transactions: ○ insurance, analytics for risk profiles target for products ○ banking, understanding customer needs with real-time data ○ investment, modelling data to generate investment ideas.
10.3	***Principles of data analytics and its use to support decision making in the financial professions*** • 10.3.1 Methods/tools used to analyse finance data: ○ horizontal and vertical analysis of data ○ trend percentages ○ ratio analysis ○ benchmarking. • 10.3.2 Visualisation tools for presenting and reporting on data: ○ bar charts, histograms, pie charts and scatter graphs ○ the identification of positive and negative correlation between two variables ○ Google Charts, Tableau, Infogram, Datawrapper, real-time dashboards for investment portfolios, comparing year on year lending practices, annual reports. • 10.3.3 Different types of analytics to enhance the quality of business decisions: ○ predictive analytics: interpolation, extrapolation, forecasting; trend analysis ○ risk identification and evaluation ○ identifying patterns between variables and the influence of outliers. • 10.3.4 Business Intelligence (BI) software and its impact on retrieving, analysing, transforming and reporting data for business intelligence. • 10.3.5 Advantages and disadvantages/risks of outsourcing data analytics.

10.4	***Design thinking and its use as a tool to address challenges in the finance industry***
	• 10.4.1 Design thinking ethos: understanding customer needs and putting these needs at the heart of every project, creating space and platforms where project teams and end users naturally interact.
	• 10.4.2 Alternative investment opportunities:
	  o crowdfunding: investing in small fast-growing businesses for equity or recognition
	  o peer-to-peer lending: lending to businesses or individuals with interest and repayment
	  o angel investor: individual backing for entrepreneurs in exchange for company equity.

Element 11: Research skills	

11.1	***The stages and skills involved in producing a research project***
	• 11.1.1 The stages involved:
	  o identify and plan the research
	  o undertake research
	  o interpret evidence
	  o draw conclusions
	  o present findings.
	• 11.1.2 Skills required:
	  o ability to work independently
	  o time-management
	  o set SMART objectives
	  o ability to distinguish between facts, speculation and subjective opinion
	  o ability to extract relevant information from a diverse range of research sources
	  o ability to present a logically consistent argument and justify conclusions and recommendations
	  o presentational skills
	  o communication skills
	  o reflective skills, an ability to reflect on own work with the aim to improve.

11.2	***Produce research plans in finance contexts*** • 11.2.1 Purpose and context of research: o financial products, changes to law and regulations, changes to standards, new technology, trends in data, competitors. • 11.2.2 Planning research: aims, planned outcomes, task dates/milestones, review dates, monitoring.

11.3	***The different sources used to collect research, and how this information is analysed*** • 11.3.1 Research using different sources: o primary research: information gathered first-hand directly at the source – questionnaires, surveys, polls and interviews (face-to-face, online, telephone and postal), direct observation and visits, focus groups and digital communities o secondary research: summary, collation and/or synthesis of existing research – media sources, government reports and official statistics, company accounts and annual reports, industry, sector and market reports, trade associations and professional bodies, university research, data companies o qualitative research: provides a measure of how people feel, what they think and why they make certain choices through using interviews and observations o quantitative research: provides a measure of what people think using statistical and numerical data through surveys and modelling. • 11.3.2 Ethics: the moral principles that govern how researchers should carry out their work. • 11.3.3 Reliability and validity of information sources: fact versus opinion, objectivity versus bias/subjectivity, relevance, currency and sufficiency of information. • 11.3.4 Analysis of research: comparisons, trends and anomalies.
11.4	***Presentation of research results in finance contexts*** • 11.4.1 Method: written, verbal, formal, informal. • 11.4.2 Medium: report, online, presentation, use of handouts and summary sheets. • 11.4.3 Appropriate use of information: data analysis, paraphrasing and summarising, making convincing arguments, developing evaluative conclusions. • 11.4.4 Appropriate presentation of data using diagrammatic and tabular formats. • 11.4.5 Avoiding plagiarism. • 11.4.6 Compilation of bibliographies, citing and referencing in an appropriate format. • 11.4.7 Feedback: suggestions and recommendations. • 11.4.8 Awareness of audience type: o technical, non-technical, customers, potential customers, colleagues, stakeholders and hierarchy.

Element 12: Project/change management and administration	

12.1	***The features of project management approaches in finance contexts***
	• 12.1.1 Formulating a business case: identifying the problem, options, advantages, timescales, costs, Return on Investment (ROI) and risks of the project.
	• 12.1.2 The project management triangle and its implications: scope, cost and time and how changes in these factors impact on quality.
	• 12.1.3 Project life cycle:
	  o initiation: set out scope, purpose, and SMART objectives of project
	  o planning: create project plan that includes resources, contingencies, finance, quality, Key Performance Indicators (KPIs), communication and evaluation mechanisms
	  o execution: implement project plan, create tasks, organise workflows, brief team members
	  o closure: complete paperwork, release resources, and report to key stakeholders
	  o evaluate: identify how far the project met objectives and expectations and identify how to improve future projects by supporting evidence and research.
	• 12.1.4 Project management tools and how they are used: Gantt charts, networking and critical path analysis, specialist software.
	• 12.1.5 Methods of communication to meet the needs and interests of different stakeholder groups: project team, other employees, customers/users, suppliers, investors, community, government agencies.

12.2	***The structure and responsibilities within a project team***
	• 12.2.1 Project team roles:
	  o project manager
	  o project team member
	  o project sponsor.
	• 12.2.2 Responsibilities within projects:
	  o evaluating finance options in line with organisational context
	  o budget-setting and monitoring, budgetary responsibilities and reporting systems, variance analysis
	  o establishing procurement systems and processes
	  o tendering
	  o writing reports for project managers and relevant stakeholders
	  o evaluating project risks
	  o risk management.

12.3	***The drivers of change in a finance context***
	• 12.3.1 The business case for change including response to changing market conditions; need to reduce costs; response to government policies and regulations; upskilling the workforce; technological developments; response to stakeholder feedback/demands; product and service innovation.
	• 12.3.2 How changes in internal and external business environments can influence business objectives and organisational change in finance business organisations:
	  o political: budget and tax changes, changes to standards, political volatility in foreign and domestic markets, sustainability of debt; regulations including Financial Conduct Authority (FCA), strengthening of regulatory frameworks
	  o ethical: financial conduct, ethical objectives, risk management, accountability, ethical investing, ethical financial advice, professional behaviour, professional competence and due care, honesty, integrity, confidentiality and transparency
	  o social/demographic: ageing workforce, financial exclusion, fairer employment practices, social investment and values
	  o technological: digitalisation; data mining and predictive analytics; cloud computing
	  o legal/regulatory: financial failures, market transparency, Financial Conduct Authority (FCA), regulator, governance frameworks
	  o environmental: climate change events and financial losses, demand for green financial products, risk management, impact of government environmental policies, climate-related financial disclosure, 3Ps in sustainability People/Profit/Planet, Corporate Social Responsibility (CSR).
	• 12.3.3 Measuring business performance:
	  o financial: cash flow, calculation and analysis of profitability ratios and liquidity ratios
	  o customer and staff retention
	  o benchmarking
	  o key performance indicators (KPIs)
	  o SWOT analysis, internal and external factors.
	• 12.3.4 How the outcome of measuring business performance can influence business strategy, operational plans and business tactics.
	• 12.3.5 The contribution of SMART (specific, measurable, achievable, realistic, time bound) target setting in a business context.
	• 12.3.6 The barriers to organisational change and how they might be addressed including:
	  o workforce resistance
	  o lack of management skills
	  o lack of finance
	  o leadership inertia.
	• 12.3.7 How to support and improve projects through research, evidence and evaluation methods.

12.4	***The principles of managing change in a finance context***
	• 12.4.1 Need for change – internal factors:
	  ○ technology changes
	  ○ consumer habits
	  ○ cash flow management
	  ○ poor leadership and management
	  ○ demand for skills
	  ○ growth or decline of the business.
	• 12.4.2 Need for change – external factors:
	  ○ interest rate changes
	  ○ competition and demand
	  ○ action from pressure groups
	  ○ availability of raw materials
	  ○ changes in legislation
	  ○ changes in lifestyle
	  ○ technology.
	• 12.4.3 Consequences of not implementing change.
	• 12.4.4 Effective leadership of change.

Specialist Core Knowledge and Understanding across Finance Pathway

Element 13: The financial services sector	
13.1	***The features of the financial services industry*** • 13.1.1 The structure of the UK financial services industry: o insurance and protection o investment management o pensions and retirement income o retail banking o retail investments o retail lending o wholesale financial markets. • 13.1.2 The development and deployment of technology in financial services: o fintech developments o virtual financial businesses and products o online access to financial services by consumers o Management Information Systems (MIS) and reporting arrangements to aid decision making and business planning. • 13.1.3 The product providers, advice/support services, platforms available and possible customer outcomes for the following financial services products: o deposits o payments o insurances of the person and general insurance o savings o investments o funds o mortgages o secured and unsecured loans o pensions and annuities. • 13.1.4 The different client groups appropriate to the different sectors of the financial services industry, including: o private/personal o SME o corporate o institutional.

	• 13.1.5 The role of an Independent Financial Adviser (IFA) and the limitations of this role: o role: provide expert impartial advice on financial planning including pensions and investment and wealth management; research investment opportunities; provides objectivity when investing funds on behalf of their clients; not linked to specific suppliers of financial services o limitations of role: operate in an advisory capacity with the final decisions being the responsibility of the client. • 13.1.6 The development and transformation of financial services business and their trading models: o the role of technology: increasing use of the internet by consumers to purchase financial products and services, banking, insurance o virtual businesses: no high street presence o working practices and workforce organisation and structure: increase in the use of home working and 24-hour banking via outsourcing o increased competition: impact on established financial businesses of smaller financial services businesses entering the market offering bespoke services to the consumer o the increased importance of customer service and personalised products: personal bankers, loyalty programmes, product portfolio.
13.2	***The global context of financial services*** • 13.2.1 Overview of the place of the UK's financial services industry in the global financial market. • 13.2.2 Overview of the international standards and regulations that impact on the UK financial services industry. • 13.2.3 The impact of different cultures and practices on the UK financial services industry, its products and services and product providers.
13.3	***The distinction between retail and institutional clients*** • 13.3.1 Characteristics of retail clients. • 13.3.2 The range of retail clients. • 13.3.3 Characteristics of institutional clients. • 13.3.4 The range of institutional clients. • 13.3.5 Reasons for treating retail and institutional clients differently.
13.4	***Mis-selling practices in financial services and how they are addressed*** • 13.4.1 Types of mis-selling in the financial services sector including: o providing customers with misleading information o recommending customers purchase unsuitable products. • 13.4.2 Impact of mis-selling practices on financial service providers including: o compensation payments o financial insecurity o reputation o regulatory sanctions o performance reviews.

	• 13.4.3 Practices to address mis-selling including: ○ promotion of an ethical sales culture including sales practices, risk management and data analytics ○ robust procedures for complaints handling ○ accountability ○ random sales audits.
13.5	***The features of corporate life cycle and the product life cycle in the context of the financial services sector*** • 13.5.1 The corporate life cycle: launch, growth, shake-out, maturity, decline; its application in the financial services sector. • 13.5.2 The product life cycle: introduction, growth, maturity, decline; its application to financial services and products, and banking and insurance products.
13.6	***How the specialist functional teams in the financial sector impact on each other and add value to the organisation*** • 13.6.1 The roles of specialist teams in financial sector organisations and their interrelationship: ○ operations ○ finance ○ IT/technology ○ external/internal audit. • 13.6.2 An overview the organisational hierarchies and the associated range of specialist roles and responsibilities, from administration officers up to the chief operating officer.
13.7	***The risks faced by organisations in the financial services sector*** • 13.7.1 Operational risks. • 13.7.2 Settlement risks. • 13.7.3 IT and cyber risks. • 13.7.4 Non-financial risks including reputational risks. • 13.7.5 Risk management strategies: retain, transfer.

Element 14: Professionalism and ethics 2	
14.1	***The influences on professional and ethical behaviour in the financial services industry*** • 14.1.1 Influences on professional and ethical behaviour including: ○ risk identification and management ○ regulatory and governance requirements ○ ethics ○ codes of conduct ○ lessons learned from bad practice: the London Interbank Offered Rate (Libor) scandal.

14.2	***How conflicts of interest may arise in businesses and financial services*** • 14.2.1 Definition of conflict of interest. • 14.2.2 Identification of conflict of interest. • 14.2.3 Management of conflict of interest. • 14.2.4 Prevention of conflict of interest.
14.3	***The concept of whistleblowing and the concept of a 'speak up' culture*** • 14.3.1 Whistleblowing and its application in an organisational context. • 14.3.2 Corporate culture and reporting processes. • 14.3.3 A basic understanding of the UK's legal Public Interest Disclosure Act (PIDA) and Financial Conduct Authority (FCA) rules and powers.
14.4	***The complaints procedures and risk processes operated by financial services organisations*** • 14.4.1 The Financial Conduct Authority (FCA) six customer outcomes that it expects firms to strive to achieve to ensure fair treatment of customers: o fair treatment o products designed to meet needs o clear information o suitable advice o products perform to expectations o no unreasonable post-sale barriers. • 14.4.2 Procedures for resolving disputes with customers within set deadlines. • 14.4.3 Stages in a complaints procedure: o acknowledgement o independent review o processing and investigating o outcome. • 14.4.4 Definition of conduct risk. • 14.4.5 Processes in managing conduct risk: o identification and assessment o supervision of conduct, behaviours and practice o training o management information/ metrics to enable challenge o addressing risk o monitoring and assessing.
14.5.	***The principles of ethical and professional conduct in the financial services sector*** • 14.5.1 Reputation and responsibilities: o good professional conduct resulting in long-term financial performance, customer and stakeholder value, avoiding financial crises o treating suppliers, customers, partners and employees fairly and with respect at all times.

	• 14.5.2 Ethical decision making: o selecting investments based on moral principles o money lending for cultural impact o customer alerts for insufficient funds. • 14.5.3 Expectations of professional conduct, behaviour, attitudes and their value: o information asymmetries: unequal information for both borrowers and lenders, diligence in reviewing customer history, need to reveal full risk information when selling securities, mis-selling mortgages, hard sales tactics, value for money with financial advice. • 14.5.4 Financial Conduct Authority (FCA) and misconduct procedures: warning letter, formal action, financial penalties, restrictions, suspension of trade: o whistleblowing: protection for whistleblowers, prescribed bodies for reporting wrongdoing o respect for all: inclusive finance for low-income populations, micro-loans, micro-enterprises.

Scheme of Assessment – Core Component

There are three assessments in the Core Component of the *T Level Technical Qualification in Finance:*

1. Examination Paper 1
2. Examination Paper 2
3. Employer Set Project

The mapping, timings and scheduling and preparation for assessment shown below are for the current specimen assessment material, the assessment will have the same overarching number of tasks and overall focus but the order of tasks and the detail within the task may change each series.

Core examinations

Paper 1:
Written examination: 2.5 hours **33.33% of the core assessments** **90 marks**
Content overview Content area 1 – The business environment Content area 2 – Careers Content area 6 – Professional services Content area 8 – Fundamentals of financial accounting Content area 9 – Technology Content area 10 – Data driven innovation Content area 11 – Research skills Content area 12 – Project/change management
Assessment overview • An externally assessed written examination comprising two sections. • Students answer all questions in Section A and Section B. • The examination will include short, medium, and extended open-response questions. • The examination will be set and marked by Pearson.

Paper 2:
Written examination: 2.5 hours **33.33% of the core assessments** **90 marks**
Content overview Content area 3 – Regulation Content area 4 – Professionalism and ethics/equality, diversity, and inclusion Content area 5 – Security and risks Content area 7 – Fundamentals of law Content area 13 – The financial services sector Content area 14 – Professionalism and ethics 2
Assessment overview • An externally assessed written examination comprising two sections. • Students answer all questions in Section A and Section B. • The examination will include short, medium, and extended open-response questions. • The examination will be set and marked by Pearson.

Both examinations will follow the same structure, but they will assess different core content, and will be available as paper-based examinations. There are two sections in each paper:

- Section A is weighted 40%
- Section B is weighted 60%.

Core examination Assessment Objectives

Assessment Objective			Paper 1 Marks	Paper 1 %	Paper 2 Marks	Paper 2 %
AO1	**1a**	**Knowledge**	7	7.8%	8	8.9%
	1b	**Understanding**	14	15.6%	16	17.8%
AO2		**Application**	39	43.3%	36	40%
AO3	**3a**	**Analyse**	18	20%	18	20%
AO3	**3b**	**Evaluate**	12	13.3%	12	13.3%

Employer Set Project

Employer Set Project
Externally assessed project: 14 hours 30 minutes **33.33% of the core assessments** **90 marks**
Content overview When responding to the project, students will need to draw on naturally occurring synopticity from the common core content and the specialist pathway content.
Assessment overview Students will be given an overarching scenario to set the scene and individual tasks stimulus to cover all the skills and AOs. These are: Task 1: Carry out research and report on findings Task 2: Produce a report with recommendations Task 3: Produce a report and complete documents Task 4: Produce a report to solve a problem Task 5: Complete a plan, review risks and present findings Task 6: Review how well you have performed. • Students will undertake the assessed elements of the project tasks under supervised and controlled conditions. • The assessment will take place over multiple sessions. • The project outcomes will consist of a portfolio of evidence submitted electronically. • Students will undertake a project in response to a realistic contextual challenge. • The project will be set and marked by Pearson.

Employer Set Project Assessment Objectives

The Assessment Objectives for the Employer Set Project are as follows:

Outline Assessment Objectives	
AO1	Plan their approach to meeting the brief
AO2	Apply core knowledge and skills as appropriate
AO3	Select relevant techniques and resources to meet the brief
AO4	Use maths, English, and digital skills as appropriate
AO5	Realise a project outcome and review how well the outcome meets the brief

Resources for the delivery of the Core Component content

There is no specialist equipment required for the delivery of the Core Component.

Providers would benefit from a good IT suite with access to Office Software and the internet and for students to have regular access to this.

Teachers should have qualifications and/or experience in the business and financial sector. Teaching will need to be shared across a curriculum team which together will have the experience and knowledge that spans the breadth of the qualification content and has some experience of teaching to external assessments.

4. Occupational Specialist content – Finance

4.1 Retail and Commercial Banking Analyst

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

Students need to be able to: **Demonstrate awareness of how to behave ethically and professionally.**

What skills do students need to demonstrate?
S1.1 Outline the key features of an ethical and professional culture in retail and commercial banking.

What underpinning knowledge do students need?		**English, maths and digital skills**
K1.1	**Culture and conduct in retail and commercial banking**	
K1.1.1	The different aspects of 'Culture' in a financial services context • Individual behaviour • Organisational culture • Sector culture	
K1.1.2	The meaning and application of 'conduct' and the influences on conduct in a financial services context • Fiduciary relationship • FCA Conduct Rules	
K1.1.3	'Accountability' in a financial services context • Caveat emptor • Accountability of the individual (employees and customers) • FCA's fair treatment of customers • utmost good faith contracts	
K1.1.4	The purpose and scope of the regulatory and legal framework that underpins conduct in retail and commercial banking: Purpose • Protect and enhance the stability of the financial system in the UK • Establish a system for regulating the activities and products of financial services providers including disciplinary action and fines • Protect consumers and including their personal data and deposits • Ensure that financial markets operate effectively by promoting competition	

	• Minimise the impact on the financial system as a whole due to the failure of a major financial services provider • Reduce financial crime Scope • Financial Services Act including the role of the Financial Conduct Authority (FCA), the Prudential Regulation Authority (PRA) and the Financial Policy Committee (FPC) • Financial Services and Markets Act (FSMA) • Payment Services Regulations • General Data Protection Regulation (GDPR) • Consumer Rights Act • Data Protection Act (DPA) • Money laundering regulations/Proceeds of Crime Act • Financial Ombudsman Service	

What underpinning knowledge do students need?		English, maths and digital skills
K1.2	**The key features of professionalism**	

K1.2.1	Professional characteristics and personal attributes in the context of retail and commercial banking environment by reference to
	• Professional characteristics:
	  ○ autonomy
	  ○ accountability
	  ○ ethical behaviour
	  ○ specialised knowledge
	  ○ adheres to codes of professional conduct
	  ○ qualified/licensed to practice
	  ○ represented by professional bodies
	• Personal attributes:
	  ○ team awareness and support
	  ○ communication skills
	  ○ integrity
	  ○ positive attitude
	  ○ timely in interactions and transactions	

K1.2.2	The importance of acting professionally to protect the interests of the business and a range of different stakeholders • Contribution to Corporate Social Responsibility (CSR) • Employees • Customers • Suppliers • Shareholders • Regulators	

K1.2.3	The importance of maintaining professional standards • Continuing professional development (CPD) • Reputational issues for retail and commercial banking providers • Legal and compliance issues associated with acting unprofessionally • To adhere to the standards set by the professional bodies	
K1.2.4	The requirements placed on retail and commercial banking by professional bodies • London Institute of Banking and Finance • Chartered Banker Institute • Chartered insurance Institute • Association of Corporate Treasurers	

What skills do students need to demonstrate?
• **Convey technical information on ethical dilemmas to different audiences (E1)** • **Present information on ethical dilemmas and codes of conduct (E2)** • **Summarise technical and non-technical information/ideas on unethical practices (E4)** • **Synthesise information to identify ethical dilemmas (E5)** • **Take part in/Lead discussions on ethical dilemmas and codes of conduct (E6)**
S1.2 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.
S1.3 Apply the principles of relevant codes of conduct and ethical decision-taking models to arrive at appropriate courses of action.

What underpinning knowledge do students need?		English, maths and digital skills
K1.3	**Ethical decision-taking principles**	

K1.3.1	The importance of 'ethics' in financial services
	• Ethics versus compliance
	• Internal and external influences on ethical behaviour:
	  ○ internal: business policies and procedures; management style; corporate culture; organisational structure; workforce relationships
	  ○ external: professional bodies; regulators; consumer expectations and customer reviews; reputation in the market including the influence of the financial press	

K1.3.2	The role of ethical codes of conduct
	• Key elements of an ethical code of conduct
	• Examples of ethical codes of conduct in retail and commercial banking:
	    ○ ethical principles and good practice promoted by UK Finance, the trade association for the UK financial services sector
	• Applying an ethical code of conduct
	• Personal ethics - moral principles and rules of conduct
	    ○ doing the right thing
	    ○ acting as whistle-blower
	    ○ showing respect to all
	    ○ treating everyone in an inclusive way
	    ○ recognising others success	

K1.3.3	The range of retail and commercial banking protections that exist to support the appropriate culture and conduct of organisations and their employees • FOS (Financial Ombudsman Service) • FSCS (Financial Services Compensation Scheme)	

K1.3.4	The process of ethical decision making from both the provider and customer perspectives
	• Ethical criteria
	• Stages of the decision-making model:
	    ○ identify the need for a decision
	    ○ gather relevant information
	    ○ identify the alternatives
	    ○ weigh the evidence
	    ○ choose among alternatives
	    ○ implement actions
	    ○ review the decision and its impact
	• Apply the decision-making model using ethical principles in a banking context in relation to:
	    ○ lending decisions
	    ○ sale of financial products and services
	    ○ financial advice to customers
	• The character-based decision-making model:
	    ○ the notion that decisions should be based upon ethical principles which are morally superior to non-ethical/financial principles
		E1
		E5
		E6

K1.3.5	When ethical dilemmas and conflicts of interest might arise when implementing ethical decision-models and how to deal with them
	• How ethical dilemmas might arise and how to identify them
	• Dealing with ethical dilemmas
	• Ethical decision-making principles and models and how to apply them
	• Trust including acting with integrity and honesty when making business decisions
	• Respect – including taking account of the needs of stakeholders and being tolerant of different cultures and beliefs when business decisions are taken
	• Responsibility – including being accountable for the decisions taken and understanding the consequences of decisions taken
	• Fairness – ensuring decisions do not discriminate against different individuals or groups
	• Compassion including an awareness of the impact of business decisions on concern for corporate image and reputation
	• Civil – including operating within the law, protecting the environment, civic duty
	• Situations when conflicts of interest might arise and how to identify them including:
	  o undue Influence or pressure on a borrowing or investment customer to purchase the bank's own financial products
	  o aggressive sales techniques could be adopted at the expense of impartial advice
	  o providing limited information to a customer in order to secure the sale of a financial product. For example, only providing the advantages of a financial product without disclosing the risks which could impact on potential returns
	  o remuneration practices which may encourage the sales of specific products which do not meet the needs of the customer
	  o close personal relationships between a bank employee and other professionals either internally or externally resulting in financial products being sold to a customer which do not meet their needs
	  o inappropriate credit scoring to enhance the possibility of a customer being accepted for a loan
	• How to deal with conflicts of interest including:
	  o requirement to disclose potential conflicts of interests – employees, managers and Directors
		E1
		E2

	○ codes of ethical behaviour includes in contracts of employment ○ monitoring compliance processes subject to internal audit ○ incorporate ethical practice into risk management strategy ○ document and communicate processes ○ update processes regularly ○ staff training ○ staff handbook • Potential issues where ethical dilemmas and conflicts of interest are not resolved including: ○ corporate reputation ○ loss of sales ○ litigation ○ intervention of the regulator ○ fines ○ compensation to customers ○ internal sanctions for non-compliance	
K1.3.6	Unethical practices in financial services: • Mis-selling • Insider trading • Misleading advertising • Lack of clarity regarding pricing/fees • Mis-use of customer data • Exaggerated claims of financial returns	**E1** **E2** **E4** **E5**
K1.3.7	The protection afforded to individual employees who report illegal or unethical banking practices • Whistleblowing in a banking context • The unethical practices which an individual may experience as a bank employee • The role of the Whistleblowing Champion • The Public Interest Disclosure Act (PIDA)	**E1** **E2** **E6**
K1.3.8	The impact on the financial services sector of the poor/unethical business practices conducted by financial organisations • The financial crisis and collapse of Northern Rock in 2008 • The selling of mortgages without taking affordability into account • The collapse of Enron in 2001 • The collapse of Lehman Brothers in 2008 • The securitisation of sub-prime mortgages and how this contributed to the financial crash of 2008	

	• The Payment Protection Insurance (PPI) mis-selling scandal (2010 – 2019) • Unethical charges applied to mortgages – excessive mortgage arrears fees and exit fees (2002 – 2019) • Mis-selling by banks of ID theft and card protection (2014–15) • Mis-selling by banks of packaged bank accounts including products such as insurance and car breakdown cover (2014–2018)	

K1.3.9	An understanding of the principles, coverage and application of the Consumer Credit Act
	• Principles
	  ○ to provide legal protection for consumers when purchasing goods on credit or applying for credit
	  ○ to set out what creditors must do when lending money
	  ○ to regulate how credit should be marketed
	• Coverage
	  ○ credit cards; personal cash loans; overdrafts; store cards; hire purchase
	• Application
	  ○ pre-contractual information and credit agreement documents including the amount of credit; credit period; examples of the amount payable if the debt is repaid early; interest rate; annual percentage rate (APR); the cost and other consequences of missing payments; any other fees or charges
	  ○ method of calculating interest rates
	  ○ procedures relating to default, termination and early payment
	  ○ regulations regarding the advertising of credit facilities
	  ○ additional protection provided for credit card purchases	

What skills do students need to demonstrate? • Summarise information on how to escalate ethical issues (E4) • Take part in/lead discussions on conflicts of interest and ethical dilemmas (E6)
S1.4 Identify when ethical conflicts and dilemmas should be escalated, and to whom.

What underpinning knowledge do students need?		English, maths and digital skills
K1.4	**Ethical escalation**	
K1.4.1	When and how to escalate ethical dilemmas and conflicts of interest and to whom • To line manager • Human Resources • To whistleblowing champion • To Money Laundering Reporting Officer (MLRO)	**E4** **E6**

What skills do students need to demonstrate? • Convey complaints procedures to customers (E1) • Present a complaint to a colleague (E2) • Summarise information on the stages of the complaints procedure (E4) • Synthesise information to recognise a complaint and its reasons (E5) • Take part in/Lead discussions when handling complaints (E6)
S1.5 Deal with problems/complaints.

What underpinning knowledge do students need?		English, maths and digital skills
K1.5	**Complaints handling**	

K1.5.1	What constitutes a complaint in the financial services market
	• Recognising when a customer is complaining
	• Reasons why retail and commercial banking customers might complain:
	  ○ poor service
	  ○ fees
	  ○ product failure
	  ○ processing errors
	  ○ delays
	  ○ unreliable systems
	  ○ poor communications
	  ○ personal data violations
		E5

K1.5.2	Understand the consequences of poor customer service for a retail bank and an employee and how it can be addressed
	• Consequences of poor customer service:
	  ○ decline in reputation of the brand
	  ○ reduced sales
	  ○ loss of account holders
	  ○ loss of staff
	  ○ closure of branches	

K1.5.3	Understand the importance and stages of managing customer complaints effectively.
	• Complaint handling stages:
	  ○ acknowledge complaint
	  ○ check understanding, clarify issues and details
	  ○ record at level required and escalate as needed
	  ○ offer a solution or hand off to another colleague
	  ○ implement a solution
	  ○ follow-up with customer
	  ○ collect feedback from customer
	  ○ identify trend
		E1
		E2
		E4
		E5
		E6

K1.5.4	The regulation relating to complaints in the financial services market and the process it underpins • The difference between regulated and unregulated products • Process for dealing with regulated complaints • Unregulated complaints defined • Process for dealing with unregulated complaints	**E2** **E4**
K1.5.5	The role of the Financial Ombudsman Service (FOS) in complaint resolution • How FOS operates • When FOS can be used • What decisions might FOS make • The implications of FOS decisions for the customer and the provider	**E1** **E2** **E5**
K1.5.6	How provision of poor customer service can be addressed • Training • Buddying • Coaching • Mentoring • Target setting for teams and individuals • Team building • Individual guidance and support • Reallocation of duties • Sanction against individuals	

K1.5.7	Implications to the bank of addressing poor customer service • Use of resources • Reallocation of resources • Management time • Level of morale may be affected • Customer waiting times may increase	

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

Students need to be able to:
Provide advice to customers and clients about the types of retail and commercial banking products and services that can best meet their needs.
Explain advice to customers and clients so that they understand what is being advised including the potential risks and benefits of the products and services.

What skills do students need to demonstrate?
S2.1 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.
S2.1.1 Identify different customer types across retail and commercial banking.

What underpinning knowledge do students need?		**English, maths and digital skills**
K2.1	**UK banking market**	

K2.1.1	The scope, functions and types of retail and commercial banking providers
	• Commercial banks:
	  ○ traditional banks
	  ○ online/digital banks
	  ○ challenger banks
	• National, international and global banks
	• Building societies
	• Credit unions
	• Investment banks
	• Merchant banks
	• Specialist finance providers	

K2.1.2	Reasons for grouping customers into different types • Identifying customers whose needs can be met by the bank • Identifying marketing opportunities to target customer needs • Allocating resources effectively • Contacting customers for service feedback and market research purposes • Assessing customer groups against preferred risk, profit and growth targets of the organisation	
K2.1.3	Different types of financial services customers • Retail – providing banking services to individuals and families	

K2.1.4	Different types of commercial customer
	• Business banking:
	  ○ sole proprietor (sole trader) – a one-person business
	  ○ partnerships – comprising one or more partners
	  ○ small to medium sized enterprises (SMEs) – limited companies
	• Corporate banking
	  ○ mid-market corporates – large companies
	  ○ multinational corporates	

What skills do students need to demonstrate? • **Explain customer distress signals to colleagues (E1)** • **Identify and present reasons why customers might be vulnerable (E2)**
S2.1 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.
S2.1.2 Identify vulnerable customers.
S2.2 Demonstrate an understanding of the additional or special needs of vulnerable customers.

What underpinning knowledge do students need?		**English, maths and digital skills**
K2.2	**Vulnerable customers**	
K2.2.1	The definition of a 'vulnerable' customer and how to deal with vulnerable customers • Financial Conduct Authority (FCA) definition • FCA rules regarding vulnerability • Financial services provider responsibilities when dealing with vulnerable customers	
K2.2.2	Early warning signs of retail customer distress • Late or missed payments • Requests to amend terms • Credit reference requests from other lenders	**E1** **E2**

K2.2.3	Other issues in connection with client vulnerability
	• Responsibility of financial services employees to identify and respond to changed circumstances of customers
	• Circumstances that might create vulnerability:
	  ○ physical/mental health
	  ○ unemployment
	  ○ redundancy
	  ○ change of employment
	  ○ family
	  ○ divorce/separation
	  ○ bereavement
		E1
		E2

K2.2.4	Banking practices to enhance the service provided to vulnerable customers • Management information data including exception reporting to alert the bank to potential vulnerable clients • Staff training and development • Dedicated staff to deal with vulnerable customers • Practical changes to communication processes including the use of Braille, large print documents. • Physical adaptations to premises • Engagement with national charities dealing with vulnerable and special needs clients • Equality, diversity and inclusion policies – treating employees and customers equally and ensuring none are discriminated against • Employees and customers from a variety of backgrounds are actively welcomed and supported • Compliance with equality, diversity and inclusion legislation, policies and codes of practice in attitudes, actions and behaviours • Making reasonable adjustments to support any individual needs • Supporting others in a vulnerable position	

What skills do students need to demonstrate? • Explain customer distress signals to colleagues (E1) • Identify and present reasons why customers might be vulnerable (E2) • Summarise vulnerable customer warning signs (E4)
S2.3 Identify early warning signs of client vulnerability.

What underpinning knowledge do students need?		English, maths and digital skills
K2.3	**Vulnerable customers – early warning signs**	
K2.3.1	Early warning signs of retail customer distress • Late or missed payments • Requests to amend terms • Credit reference requests from other lenders • Exceed authorised overdraft facility	**E1** **E2** **E4**
2.3.2	Early warning signs of commercial client distress • Departure of senior employees from corporate borrower • Company failure to file accounts • Pressure against borrowing facilities • Cash flow difficulties	**E1** **E2** **E4**

What skills do students need to demonstrate?
• Convey the purpose, uses and features of banking products (E1, E2) • Summarise banking products (E4) • Understand banking products from documentation (E5) • Discuss banking products (E6)
S2.1 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.
S2.1.3 Identify products and services within retail banking.

What underpinning knowledge do students need?		English, maths and digital skills
K2.4	**Retail banking – products and services**	
K2.4.1	The influences on the financial needs of retail banking customers • Needs versus wants • Life cycle stages • The specialist financial products required at different stages in life: teenagers; young couple; families; retirement planning	
K2.4.2	Identifying retail banking customers' financial needs • Fact find • Attitude to risk/risk profile • Needs analysis • Principles of budgeting, creating a budget, interpreting a budget	**E1** **E4**

K2.4.3	The purpose, uses and features of key retail banking products, including
	• Types of delivery channel:
	  ○ branch-based
	  ○ online banking
	  ○ mobile banking (banking apps)
	  ○ telephone banking
	  ○ ATMs
	  Features:
	  ○ convenience
	  ○ accessibility (times available and ease of access)
	  ○ security
	  ○ suitability for different services
	  ○ fees
	• Types of current account services:
	  ○ balance information
	  ○ transaction information
	  ○ statements
		E1
		E2
		E4
		E5
		E6

	○ inter-account transfers ○ debit cards ○ packaged accounts (incentives) ○ overdrafts ○ payment services Features: ○ purpose ○ security ○ fees ○ methods of access and use • Types of payment service: ○ cash ○ cheques ○ bankers drafts ○ contactless payments ○ online payments ○ mobile payments ○ BACs/CHAPS ○ card payments (credit and debit) ○ standing orders ○ direct debits Features: ○ Uses ○ typical values ○ nature (physical versus virtual) ○ method of initiation ○ clearing cycle time ○ value dating and finality ○ fees • Types of deposit account and savings services: ○ instant access accounts ○ notice accounts ○ term accounts ○ tracker accounts ○ regular savings accounts ○ ISA ○ online-only accounts Features: ○ accessibility ○ term ○ notice periods ○ interest rates (fixed versus variable; types of interest rates)	

	○ taxation implications ○ ease of management ○ typical amounts • Types of investment: ○ shares ○ unit trusts ○ open-ended investment companies ○ investment trusts ○ government backed investments Features: ○ accessibility ○ term ○ risk ○ fees ○ taxation implications ○ security ○ return – growth potential ○ return – income potential ○ methods of transacting ○ need for advice • Types of lending service: ○ overdraft ○ personal loans ○ credit cards ○ loan ○ finance company/retailer finance/hire purchase Features: ○ secured versus unsecured ○ fixed and variable rates ○ interest rate type ○ term ○ amount ○ typical purposes ○ nature (revolving credit) ○ fees ○ repayments ○ limits ○ liability and responsibility	

	• Types of pension ○ defined contribution ○ personal pension ○ stakeholder pension ○ self-invested personal pension (SIPP) Features: ○ personal contributions ○ employer contributions ○ retirement date ○ retirement benefits ○ amounts ○ taxation implications ○ risks ○ fees • Types of insurance ○ home insurance ○ motor insurance ○ travel insurance ○ income protection ○ critical illness ○ level term ○ decreasing term ○ whole of life ○ endowment Features: ○ types of cover ○ exclusions ○ insured risks ○ term ○ premiums ○ investment element ○ pay-outs ○ uses	
K2.4.4	Keeping up to date with industry developments and the need to build a network of professional contacts • Ways to keep up to date with industry developments: ○ conferences ○ training updates ○ specialist journals and newspapers ○ regulator websites ○ updates published by professional bodies	

	• Benefits of building a network professional contacts including ○ accessing specialist industry knowledge ○ improving the quality of advice provided to clients ○ improving service delivery by referring customers to relevant professionals for specialist advice ○ reducing business risks by ensuring regulations are met ○ ensuring knowledge of the sector is relevant and up to date ○ improving the skills and knowledge of the organisation's workforce	
K2.4.5	How to pass opportunities to trained and qualified specialist advisers for appropriate products • Mortgages • Investments • Pensions • Insurance	**E1** **E2** **E4**
K2.4.6	The need for efficient and cost effective business practices from both a business and customer perspective including • From a business perspective: ○ to control costs ○ to improve profit margins ○ to remain competitive ○ to generate surpluses which can be used for investment in the business ○ to add shareholder value ○ to promote environmentally-friendly business practices • From a customer perspective: ○ to ensure customer needs are met in a timely manner ○ to improve customer satisfaction feedback ○ to contribute towards the development of a positive corporate image ○ to enhance customer loyalty ○ to maximise the revenue from the sale of financial products ○ to promote repeat sales	

What skills do students need to demonstrate?
• Convey the purpose, uses and features of mortgage products (E1, E2) • Summarise mortgage products (E4) • Understand mortgage products from documentation (E5) • Discuss mortgage products (E6)
S2.4 Identify customers' mortgage needs through effective fact-finding techniques and provide solutions thorough research and analysis.
S2.5 Identify the competitor landscape.

What underpinning knowledge do students need?		English, maths and digital skills
K2.5	**Retail banking – mortgage products and competitor landscape**	

K2.5.1	How to identify and review the competitor landscape in relation to retail and commercial banking products
	• Competitor drivers in retail and commercial banking:
	  ○ brand
	  ○ reputation
	  ○ presence/coverage
	  ○ product range
	  ○ pricing
	• Methods of gathering data on retail and commercial banking competitors:
	  ○ press
	  ○ social media
	  ○ mortgage provider websites
	  ○ annual reports
	  ○ mortgage provider product information
	  ○ comparison sites	

K2.5.2	The relevant features and different types of mortgage product available to retail banking customers • Fixed rate • Variable rate • Standard variable rate • Tracker • Offset • Discount mortgages • Capped rate mortgages • Interest rates • Term • Monthly repayments • Fees • Borrower responsibilities and liabilities	**E2** **E5** **E6**

	• Lender risks • Borrower risks	

K2.5.3	The wider mortgage sector and ways of understanding the local mortgage market
	• The mortgage sector:
	  ○ residential mortgages
	  ○ commercial mortgages
	• Main providers in the mortgage market:
	  ○ banks
	  ○ building societies
	• Mortgage market drivers and dynamics:
	  ○ housing stock
	  ○ affordability
	  ○ government policy
	  ○ lender appetite
	  ○ new products
	  ○ general economic conditions
	  ○ local and regional market conditions
	  ○ consumer confidence
	• Methods of gathering data on the local mortgage market:
	  ○ press
	  ○ social media
	  ○ mortgage provider websites
	  ○ mortgage provider product information
	  ○ comparison sites
		E1
		E4

What skills do students need to demonstrate? • Convey the purpose, uses and features of banking products (E1, E2) • Summarise banking products (E4) • Understand banking products from documentation (E5) • Discuss banking products (E6)
S2.1 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.
S2.1.4 Identify products and services within commercial banking.

What underpinning knowledge do students need?		English, maths and digital skills
K2.6	**Products and services – commercial banking**	
K2.6.1	The influences on the financial needs of commercial banking customers: • Type of business • Business experience • Nature of products/services • Size of business • Life cycle stage	
K2.6.2	Identifying commercial banking customers' financial needs • Principles of business planning • Business forecasts • Attitude to risk/risk profile • Needs analysis, difference between customer wants and customer needs • Principles of budgeting and cash flow forecasting (creation and interpretation)	**E5** **E6**

K2.6.3	The purpose, uses and features of key commercial banking products, including:
	• Trade and receivable finance:
	  ○ sources of funds
	  ○ short-term finance
	  ○ medium-term finance
	  Features:
	  ○ amounts
	  ○ fees
	  ○ interest
	  ○ suitability for purpose
	  ○ borrower responsibilities
	  ○ recourse
	  ○ risks – borrower
	  ○ risks – lender
		E1
		E2
		E4
		E5
		E6

	• Foreign currency: ○ currency accounts ○ buying and selling goods in another currency ○ moving funds from one currency to another Features: ○ ease of accessibility to different currencies ○ buy/sell exchange rates ○ currency fluctuations ○ booking/fixing rates ○ fees • Letters of credit: ○ bank guarantee ○ negotiable ○ revocable/irrevocable ○ payment conditions Features: ○ suitability for purpose ○ term ○ fees • Liquidity and cash management ○ liquidity/meeting day-to-day obligations ○ bank accounts ○ short-term deposits/bonds Features: ○ ease of access to funds ○ security ○ return ○ fees • Account structures – start-up/growing ○ current accounts ○ savings account ○ business bank accounts Features: ○ ease of access and management ○ functionality ○ fees • Loans, commercial mortgages, leasing and asset finance: ○ sources of finance Features: ○ suitability for purpose ○ availability ○ fees	

	- term - interest rates - secured or unsecured - collateral requirements - ownership implications - Factoring/debt collection options: - factoring services - invoice discounting services Features: - suitability for purpose - with or without recourse - fees and associated costs - Payment services: - cheque accounts/direct debits/standing orders - banker's drafts - debit/credit cards - online payment linked to website - company cards - mobile banking - contactless payments - BACS - CHAPS Features: - uses - typical values - nature (physical versus virtual) - method of initiation - clearing cycle time - value dating and finality - fees - Merchant services: - accepting payments – online/app/telephone - card readers - contactless Features: - fees - settlement timescales - administration	

	• Risk management products and techniques providing protection against adverse changes in: ○ interest rates: – options ○ commodities: – futures ○ foreign exchange: – forward contracts ○ inflation: – investment strategy Features: ○ suitability for purpose ○ accessibility and ease of arranging ○ fees and associated costs ○ simplicity ○ flexibility ○ choice of providers ○ user risk ○ provider risk	

What skills do students need to demonstrate?
• Convey the purpose, uses and features of banking products (E1, E2) • Summarise banking products (E4) • Understand banking products from documentation (E5) • Discuss banking products (E6) • Use digital tools to convey information to customers and clients (D1, D4) • Create and edit documents to communicate with customers and clients (D2)
S2.6 Explain key features of selected products and services in retail and commercial banking to customers/clients using non-technical language where appropriate.

What underpinning knowledge do students need?		English, maths and digital skills
K2.7	**Conveying information to customers and clients**	

K2.7.1	How to convey information to customers/clients
	• Conveying technical information to different audiences including:
	  ○ give explanations to others, both orally and in writing, in a clear and unambiguous way
	  ○ use technical language correctly using graphics and other tools to aid understanding
	  ○ organise ideas logically and coherently
	  ○ use appropriate grammar and choice of vocabulary and correct spelling and punctuation
	• Present information and ideas:
	  ○ present information /ideas orally using non-digital and digital tools and other aids
	  ○ speak clearly and confidently using appropriate tone and register that reflects audience and purpose
	  ○ organise ideas and information logically
	• Summarise technical and non-technical information/ideas:
	  ○ select main ideas/key information from written text/oral discussions
	  ○ summarise concisely (orally or in writing) in style appropriate to audience and purpose
	• Take part in/lead discussions:
	  ○ make relevant and constructive contributions to move discussion forward
	  ○ express opinions and support these with relevant and persuasive arguments
	  ○ adapt contribution to discussion to suit audience and purpose
	  ○ sum up key points of discussion
		E1
		E2
		E4
		E6
		D1
		D2
		D4

What skills do students need to demonstrate?
• Convey credit and lending principles to retail and commercial customers and clients (E1, E3) • Summarise policies to customers and clients (E4) • Take part in/lead discussions on credit and lending (E6) • Create documentation for customers and client on credit and lending (D2)
S2.6 Explain key features of selected products and services in retail and commercial banking to customers/clients using non-technical language where appropriate.
S2.6.1 Explain principles of credit and lending.
S2.7 Prepare relevant documentation for products.

What underpinning knowledge do students need?		English, maths and digital skills
K2.8	**Key principles of credit and lending**	

K2.8.1	Key principles of credit and lending in relation to retail and commercial banking
	• Credit risk and credit risk management:
	  o credit history
	  o ability to repay
	  o loan conditions
	  o availability of collateral
	  o capital required to support lending
	• Credit scoring:
	  o use of models
	  o good or bad scores
	  o credit score factors
	• Credit management policies:
	  o credit assessment
	  o credit conditions
	  o limits
	  o collections
	• Lending frameworks:
	  o maximum loan size
	  o maximum term
	  o loan-to-value
	  o income multiples
	• Secured/non-secured loans
	  o characteristics
	  o risks for the bank and the customer
		E1
		E4
		E6

K2.8.2	Relevant documentation in relation to retail and commercial banking lending related products
	• Acceptable documents to prove identity and address
	• Typical information required to open a new retail or commercial bank account
	• Bank mandates
	• Limited company formation documents:
	  ○ Articles of Association
	  ○ Memorandum of Association
	• Typical terms and conditions relating to credit agreements
		E3
		D2

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

Students need to be able to:
Provide advice to customers and clients about the types of retail and commercial banking products and services that can best meet their needs.
Explain advice to customers and clients so that they understand what is being advised including the potential risks and benefits of the products and services.

What skills do students need to demonstrate?
• Convey key principles of credit risk to different audiences (E1, E4) • Create texts for customers/clients on risk using digital tools (E3, D2) • Being safe and responsible online (D5)
S3.1 Evaluate the level of risk of selected products.
S3.1.1 Apply key principles of risk management as they relate to retail and commercial banking.
S3.2 Prepare relevant documentation.

What underpinning knowledge do students need?		English, maths and digital skills
K3.1	**The key principles of risk management**	
K3.1.1	The regulatory guidelines on risk management as they apply to retail and commercial banking • Bank of England • Financial Conduct Authority (FCA) • Prudential Regulatory Authority (PRA)	
K3.1.2	The regulatory guidelines on risk management as they apply to commercial banking • Board supervision of risk • Risk committee reporting to board • Detailed risk policy covering all risks • Regular review and update of risk policies	

K3.1.3	General principles in relation to risk and risk management
	• The importance of managing risk
	• Risk in relation to financial services (organisations and their customers)
	• Risk management process:
	  ○ the risk matrix and risk evaluation scores based upon the likelihood and severity of an identified risk
	  ○ risk assessments (based on probability and impact)
	  ○ influences on attitudes to risk
	  ○ risk culture
	  ○ risk appetite
	  ○ risk limits	

	• Recognised risk management responses: ○ tolerate ○ treat ○ transfer ○ terminate	
K3.1.4	The key principles of credit risk: • Credit approval • Credit scoring (Internal / external) • Credit monitoring (individual and portfolio) • Non-performing debt and bad loans	**E1** **E4**
K3.1.5	The key principles of interest rate risk: • Impact of changes in interest rates • Interest rate mismatch (bank borrowing/lending relationship) • Interest rate derivatives	**E1** **E4**
K3.1.6	The key principles of foreign currency risk: • Hedging customer trades • Market making	**E1** **E4**
K3.1.7	The key principles of market and sector-based risk: • Changes in market prices and values • Sector performance and impact on financial services organisations	**E1** **E4**
K3.1.8	The key principles of operational risk: • People • IT systems • Organisational structure	**E1** **E4**
K3.1.9	The key implications of cyber risk: • Business disruption • Loss of data • Loss of customer/client confidence	**D5**
K3.1.10	Understand the key principles of conduct risk: • Fraudulent activity • Insider trading • Improper financial advice • Mis-selling • Hidden fees and charges • Collusion with other banks	**E1** **E4**

K3.1.11	Relevant documentation in relation to retail and commercial banking related to risk: • Acceptable documents to prove identity and address • Typical information required to open a new retail or commercial bank account • Score cards • Assessment forms • 'Fact find' documentation • Broad report for a business risk • Typical terms and conditions relating to credit agreements	**E3** **D2**

What skills do students need to demonstrate? • Convey risks of products to different audiences (E1, E2, E4) • Synthesise information on risk in banking products (E5) • Discuss the risks of banking products (E6)
S3.1 Evaluate the level of risk of selected products.
S3.1.2 Analyse level of risk in retail banking products.

What underpinning knowledge do students need?		English, maths and digital skills
K3.2	**Key risks in retail banking products**	

K3.2.1	The risks of different retail banking products both to the bank and to the customer/client
	• Payment services:
	  ○ fraud
	  ○ scams
	  ○ security
	  ○ settlement
	  ○ cancellation
	• Lending services (mortgages, loans, overdrafts):
	  ○ affordability
	  ○ non-payment
	  ○ credit risk
	  ○ security
	• Online banking:
	  ○ security
	  ○ fraud
	  ○ cyber crime
	• Savings:
	  ○ security of funds
	  ○ assurance of return
	  ○ Financial Services Compensation Scheme protection
	• Investments:
	  ○ risk versus reward
	  ○ security of funds
	  ○ assurance of return/yield
		E1
		E2
		E4
		E5
		E6

What skills do students need to demonstrate?
• Convey risks of products to different audiences (E1, E2, E4) • Synthesise information on risk in banking products (E5) • Discuss the risks of banking products (E6)
S3.1 Evaluate the level of risk of selected products.
S3.1.3 Analyse level of risk in commercial banking products.

What underpinning knowledge do students need?		English, maths and digital skills
K3.3	**Key risks in commercial banking products**	

K3.3.1	The risks of different commercial banking products both to the bank and to the customer/client
	• Trade and receivable finance:
	  o credit risk
	  o security
	  o buyer/supplier disputes
	  o counterparty risk
	  o political/country risk
	• Foreign currency:
	  o currency volatility
	  o political or economic instability/uncertainty in major international countries
	  o access to instruments (exotic currencies)
	  o complexity
	• Letters of credit:
	  o complexity
	  o documentation requirements
	  o credit risk
	  o political/country risk
	  o counterparty risk
	• Liquidity and cash management:
	  o administration (achieving a consolidated view of funds)
	  o international/cross-border issues
	• Account structures – start-up/growing:
	  o account administration and management
	  o managing balances
	  o account opening formalities
	• Loans, commercial mortgages, leasing and asset finance:
	  o affordability
	  o non-payment
	  o credit risk
	  o security
	  o interest rate volatility
		E1
		E2
		E4
		E5
		E6

	• Factoring/debt collection options:
	  ○ with or without recourse
	  ○ credit risk
	• Payment services:
	  ○ fraud
	  ○ finality
	  ○ availability
	  ○ security
	  ○ settlement
	  ○ cancellation
	• Merchant services:
	  ○ reliability
	  ○ security
	  ○ settlement
	  ○ fraud	

What skills do students need to demonstrate?
• Convey risks of products to different audiences (E2, E4) • Prepare documentation on risks for banking products using digital tools (E3, D2) • Synthesise information on risk in banking products (E5) • Discuss the risks of banking products (E6)
S3.1 Evaluate the level of risk of selected products.

What underpinning knowledge do students need?		English, maths and digital skills
K3.4	**Evaluate risk**	
K3.4.1	Know how to evaluate and make a supported judgement as to which risk is the most important from a bank perspective • Likelihood of risk event • Impact of risk event	**E4** **E5** **E6**
K3.4.2	Know how to evaluate and make a supported judgement as to which risk is the most important from a customer perspective • Likelihood of risk event • Impact of risk event	**E4** **E5** **E6**

What underpinning knowledge do students need?		English, maths and digital skills
K3.5	**Key risks – credit**	
K3.5.1	The benefits (what they are and how important) and limitations (what they are and how important) of credit assessment to both retail and commercial banks	
K3.5.2	Know how to prepare and complete appropriate documentation • Customer/client credit questionnaire • Credit score card (individual) • Interpret outcome of external credit scoring (Experian, Credit Score, Equifax)	**E3** **D2**
K3.5.3	Know how to present a report on a specified business risk based on a given scenario	**E3** **D2**

<table>
<tr><th colspan="2">What underpinning knowledge do students need?</th><th rowspan="2">English, maths and digital skills</th></tr>
<tr><th>K3.6</th><th>Problem loans/accounts</th></tr>
<tr><td>K3.6.1</td><td>Methods that financial services organisations use to deal with problem debt
Undertaking a review with the customer
Possible solutions for dealing with debt and debt-related issues
Bank collections department
Bank recoveries department
Independent sources of advice:
Citizens Advice
StepChange
National Debtline</td><td>E4
E5</td></tr>
<tr><td>K3.6.2</td><td>Debt-related procedures relating to financial services
Default notices
County Court Judgments
Debt recovery (internal/external agency)</td><td></td></tr>
<tr><td>K3.6.3</td><td>Features of non-performing loans (NPL) in commercial banking
IMF definition
Impact of NPL on:
reporting requirements
liquidity
profitability
capital</td><td></td></tr>
<tr><td>K3.6.4</td><td>Methods for customers to deal with problem debt
Debt management plan
Debt relief order
Bankruptcy
IVA
Liquidation</td><td>E2
E4
E5</td></tr>
<tr><td>K3.6.5</td><td>Insolvency procedures and creditor hierarchy
Procedures:
administration and its purpose: to rescue the company as a going concern
receivership and its purpose: to realise the charged assets (collateral) and to repay the charge holder
liquidation and its purpose: to take control of the company and to collect, realise and distribute its assets to its creditors</td><td></td></tr>
</table>

	• Credit hierarchy: ○ secured creditors with a fixed charge ○ preferential creditors ○ secured creditors with a floating charge ○ unsecured creditors ○ connected unsecured creditors ○ connected unsecured creditors ○ shareholders	

What skills do students need to demonstrate?
What skills do students need to demonstrate? • **Convey risks of products to different audiences using digital tools (E2, E4, D4)** • **Prepare documentation on risks for banking products using digital tools (E3, D1, D2)** • **Synthesise information on risk in banking products (E5)** • **Discuss the risks of banking products (E6)**
S3.3 Explain potential risks and benefits of selected products and services to internal and external customers/clients.

What underpinning knowledge do students need?		English, maths and digital skills
K3.7	**Conveying information to customers and clients**	

K3.7.1	How to convey information to customers/clients
	• Conveying technical information to different audiences including:
	  ○ give explanations to others, both orally and in writing, in a clear and unambiguous way
	  ○ use technical language correctly using graphics and other tools to aid understanding
	  ○ organise ideas logically and coherently
	  ○ use appropriate grammar and choice of vocabulary and correct spelling and punctuation
	• Present information and ideas:
	  ○ present information /ideas orally using non-digital and digital tools and other aids
	  ○ speak clearly and confidently using appropriate tone and register that reflects audience and purpose
	  ○ organise ideas and information logically
	• Summarise technical and non-technical information/ideas:
	  ○ select main ideas/key information from written text/oral discussions
	  ○ summarise concisely (orally or in writing) in style appropriate to audience and purpose
	• Take part in/lead discussions:
	  ○ make relevant and constructive contributions to move discussion forward
	  ○ express opinions and support these with relevant and persuasive arguments
	  ○ adapt contribution to discussion to suit audience and purpose
	  ○ sum up key points of discussion
		E1
		E2
		E4
		E6
		D1
		D2
		D4

<table>
<tr><th colspan="2">What underpinning knowledge do students need?</th><th rowspan="2">English, maths and digital skills</th></tr>
<tr><th>K3.8</th><th>Managing the treasury function and international trade</th></tr>
<tr><td>K3.8.1</td><td>The role, management and associated risks of the corporate treasury function
Purpose of a treasury function
Reporting line
Treasury activities:
cash management
liquidity management
foreign exchange management
raising finance
managing bank relationships
managing credit rating agency relationships</td><td></td></tr>
<tr><td>K3.8.2</td><td>The role, management and associated risks of bank treasury
Purpose of a treasury function
Reporting line
Treasury activities:
asset and liability management
liquidity management
capital management
foreign exchange management
raising finance
managing credit rating agency relationships</td><td></td></tr>
<tr><td>K3.8.3</td><td>Understand the key principles of treasury control
Board supervision
Treasury policies
Structure
Responsibilities
Authority delegation
Limits
Personnel (training and compliance)</td><td></td></tr>
<tr><td>K3.8.4</td><td>Understand the risks associated with international trade
Types of lending that support international trade
Country risk
Foreign exchange risk
Counterparty risk
Settlement risk</td><td></td></tr>
</table>

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

Students need to be able to: **Research and analyse financial information.** **Confirm the accuracy of data and information.** **Draw conclusions and propose potential courses of actions.** **Present their findings to internal and external customers/clients both verbally and in writing.**

What skills do students need to demonstrate? • **Understand, collate, collect and process data from different sources (M5, M6)**
S4.1 Collect and collate financial information and data from a range of sources using appropriate tools and methods to enable analysis.

What underpinning knowledge do students need?		**English, maths and digital skills**
K4.1	**Sources of financial information and data**	

K4.1.1	How to collect and collate economic data from different sources
	• International
	    ○ OECD (Organisation for Economic Co-operation and Development)
	    ○ IMF (International Monetary Fund)
	    ○ World bank
	• National and regional
	    ○ ONS (Office for National Statistics)
	    ○ data.gov.uk
	    ○ reliable media sources
	• Economic data
	    ○ economic activity
	    ○ inflation rates
	    ○ interest rates
	    ○ exchange rates
	    ○ growth rates
	    ○ unemployment figures
		M5
		M6

K4.1.2	How to collect and collate market data from different sources • CBI (Confederation of British Industry) • Bank of England • Financial Conduct Authority (FCA) • UK Finance • BSA (Building Society Association)	**M5** **M6**

	• Reliable media sources ○ financial press • Comparison websites Market data • Sector activity • Saving levels • Bank lending • Mortgage lending	

K4.1.3	How to collect and collate data on financial institutions
	• Annual financial statements:
	  ○ statement of financial position
	  ○ income statement
	  ○ cash flow statement
	• Annual report
	• Third party reports:
	  ○ analysts and specialist providers
	• Reliable media sources:
	  ○ financial press
	Data on financial institutions
	• Savings and borrowings by amount and product
	• Irrecoverable loan data
	• Financial performance – year-on-year and trend analysis over time
		M5
		M6

K4.1.4	How to collect and collate data on companies
	• Published annual financial statements
	• Third party reports:
	  ○ specialist providers
	• Reliable media sources:
	  ○ financial press
	Data on companies
	• Revenues
	• Profitability
	• Assets
	• Liabilities
	• Financial ratios – profitability, liquidity and efficiency
		M5
		M6

What skills do students need to demonstrate?
• Maintain customer records responsibly (M5, D1, D5) • Process customer data using appropriate systems (D3) • Communicate with customers effectively and safely (D4, D5)
S4.2 Maintain customer/policy records through a relevant IT solution.

What underpinning knowledge do students need?		English, maths and digital skills
K4.2	**Maintaining customer and account records**	

K4.2.1	Internal policies, processes and protocols used to ensure the security and protect the access and transmission of customer account records and policy records maintained in a digital format
	• The key requirements of an IT policy
	  ○ standards and models to govern and define the type of customer account and policy records collected and how they are used, stored, managed and integrated within a bank and its database systems
	• Processes and protocols to ensure security and manage access to customer account records and policy records:
	  ○ use of external servers
	  ○ backup and recovery procedures
	  ○ keeping protection software up to date
	  ○ firewalls
	  ○ file permissions
	  ○ access levels
	  ○ passwords
	  ○ physical access control
	  ○ digital certificates
	  ○ encryption of files and emails
	  ○ dealing with suspicious emails and attachments
	  ○ avoiding the use of insecure internet connections
		D1
		D5

K4.2.2	How to identify the key features of an effective Customer Relationship Management (CRM) system • Contact information • Customer account details • New customer leads • Contact tracking (history of customer contacts) • Documentation holding • Data management of customer accounts and policy records • Forecasting trends and identifying opportunities for new product development and customer services • Analytics including marketing metrics • Management of key accounts	**D3** **D4** **D5**

K4.2.3	Understand how an IT-based CRM system can help a retail or commercial bank with data and financial information collection • Central point for all customer data • Record of customer buying actions • Record of customer contact • Complete customer profile • Segmentation of customers • Targeted selling • Identification of potential key account customers	
K4.2.4	How to process data relating to customer account records and policy records • Input data into databases and validate it • Manage and maintain customer data sources and databases in line with organisational practices and protocols to ensure their continued relevance to the business and in own work role	**M5**

What skills do students need to demonstrate? • Estimate and error check financial statements (M2) • Use rules and formulae when extracting information from financial statements (M1, M4) • Process and analyse financial statements (M5, M6, D3)
S4.3 Select and use appropriate tools to perform analysis, diagnosis and make forecasts.
S4.4 Examine large volume of data and establish trends/find patterns.
S4.5 Carry out financial projections of customer/client and company activities.

What underpinning knowledge do students need?		English, maths and digital skills
K4.3	**Financial analysis, making forecasts, establish trends and carry out financial projections**	
K4.3.1	The need to analyse financial data including: • To evaluate business performance against its key performance indicators • To identify strengths and weaknesses of the organisation • To identify, evaluate and manage business risks • To identify performance against best-practice in the sector • To present reports to key decision-makers within the organisation including managers and directors and external stakeholders including shareholders and creditors • To inform future business strategy • To set key performance indicators	
K4.3.2	Understand the structure and information included in the main financial statements • The Statement of Profit or Loss and other Comprehensive Income • The Statement of Financial Position	
K4.3.3	Extract relevant information from the main financial statements to undertake a financial review of a business's performance by calculating and interpreting the appropriate financial performance ratios in relation to liquidity, profitability and efficiency • Current ratio • Quick ratio (also known as the acid test ratio) • Gross profit margin • Net profit margin (also known as net operating profit margin) • Interest cover • Gearing • Return on capital employed	**M2** **M4** **D3**

K4.3.4	Use the relevant formula to check the accuracy of information provided by a commercial client • Current ratio = current assets/current liabilities • Quick ratio (also known as the acid test ratio) = (current assets minus inventories)/current liabilities • Gross profit margin = gross profit/revenues x 100 • Net profit margin = net profit/revenues x 100 • Interest cover = net profit/interest costs • Gearing = long-term debt/total equity • Return on capital employed = net profit/(total equity plus long-term liabilities) x 100 ** Where a formula is provided in this content students are expected to be able to recall, select and apply the formula as relevant to the context of the task. Students will not be given the formula in the assessment.*	**M4** **D3**
K4.3.5	Use relevant ratios and financial analysis drawn from financial statements, cash flow forecasts and other financial data, to test the reliability and validity of a business's proposed short-term operational plans and its long-term strategic plan in areas such as: • Loan applications • Investment decisions • Business growth strategy • New product development • Diversification	
K4.3.6	The different situational analysis tools and how to apply these to unfamiliar contexts • SWOT • STEEPLE • Porter's 5 forces analysis	**M1**

K4.3.7	How business forecasting and projections are applied in a banking context
	• Identifying correlation between two variables:
	  ○ interest rates and savings/borrowing
	  ○ tax rates and borrowing/savings
	  ○ stock market index/investment in securities
	• Trend analysis:
	  ○ the use of trend analysis to inform business forecasts
	  ○ implications of forecasting for banking operations and practices
		M1
		M5
		M6
		D3

	• The types of forecasts and projections used in a banking context: ○ demand for loans ○ impact on existing credit facilities ○ volume of expected deposits ○ volume and value of business failures ○ value of irrecoverable debts ○ projected changes to individual customer risk rating	
K4.3.8	The importance of the 'time value of money' and how it can be used to compare interest rates and make judgements on product selection	
K4.3.9	How to undertake a comparative analysis using at least two data sets including areas such as: • Global economic performance • UK interest rates • UK growth rates • UK inflation rates • Corporate levels of borrowing • Personal levels of borrowing • Personal savings levels • UK exchange rates	**M2** **M4** **M5** **M6** **D3**
K4.3.10	Understand the systems that utilise the outcomes of financial data analysis including: • Business planning • Business performance appraisal • Cash flow forecasting • Risk management • Budget setting and monitoring • Financial planning	**M6**

What skills do students need to demonstrate? • Process and analyse financial statements (M5, M6, D3) • Visualise data (D4)
S4.6 Sense check information and options, review, changes, trends and be able to arrive at insightful conclusions.
S4.7 Monitor and test data to check for errors or invalid results.

What underpinning knowledge do students need?		English, maths and digital skills
K4.4	**Error checking and monitoring data**	
K4.4.1	How to sense check information and options • The purpose of a sense check: to look at data and be able to make an initial judgement • Use data already gathered to solve problems and represent those solutions • Be able to understand how the way in which data is processed affects its validity in different situations • To analyse and interpret data presented in a variety of formats including graphs and tables • To show errors, variations and measurements of other secondary information in a graphical format	**M6**
K4.4.2	Use of Big Data and digital management tools to monitor data • Big Data characteristics: ○ volume: the explosion in global payments fuelled by ecommerce and mobile payments ○ variety: Big Data makes sense of unstructured data from a variety of sources in banking from transactions details to credit scores ○ velocity: incoming Big Data at high speed, extraction of insights into financial behaviour ○ veracity: the challenge of receiving accurate information from Big Data, attempting to manage the financial risk of a customer ○ identifying patterns: determine the between variables and the influence of outliers • Visualisation tools for presenting and reporting on data monitoring to decision-makers within a bank: ○ bar charts, histograms, pie charts and scatter graphs ○ the identification of positive and negative correlation between two variables ○ the use of variance reports to identify and monitor favourable and adverse variances ○ Google Charts, Tableau, Infogram, Datawrapper, real-time dashboards for monitoring the volume of customer activity, comparing year-on-year lending practices, annual reports	**M5** **D3** **D4**

What skills do students need to demonstrate? • Analyse data and communicate conclusions (M6, D4)
S4.8 Draw conclusions from analysis/interrogation of data and other financial information.

What underpinning knowledge do students need?		English, maths and digital skills
K4.5	**Conclusions based on data analysis**	
K4.5.1	How to analyse information to draw conclusions and make forecasts in a range of different circumstances including: • Impact of changes in interest rates on customer levels of borrowing and saving • Impact of changes in the level of economic activity on demand for commercial banking products • Impact of changes in interest rates on the level of demand of financial products • Impact of changes in the level of economic activity and interest rates on loan default rate	**M6** **D4**

What skills do students need to demonstrate? • Summarise and present findings to different audiences using digital tools (E1, E2, E4, D1, D4) • Discuss findings (E6) • Present reports using digital tools (D2)
S4.9 Present findings to internal and external customers/clients, as relevant to independent financial advisers, according to guidance from the Financial Conduct Authority, both verbally and in writing taking into account audiences.

What underpinning knowledge do students need?		English, maths and digital skills
K4.6	**Presenting findings**	

K4.6.1	How to
	• Structure a professional formal business report:
	  ○ executive summary
	  ○ introduction
	  ○ discussion of data and information
	  ○ conclusions
	  ○ recommendations
	  ○ references and bibliography
	  ○ appendices
		E1
		E2
		E4
		E6
		D1
		D2
		D4

	• Convey information in writing effectively including:
	  ○ ensuring the purpose is clear and displays an awareness of the audience
	  ○ being concise to ensure clarity of message and that reports are easy to read
	  ○ avoiding the use of jargon
	  ○ accurate spelling, punctuation, and grammar to ensure that intended meaning is conveyed
	  ○ inclusion of verifiable facts, data, statistics and evidence rather than opinion wherever possible
	  ○ use of word-processing tools and their functions to help the reader to navigate the report:
	    – headings and sub-headings
	    – fonts and font effects/styles
	    – paragraph tools
	    – spelling, punctuation and grammar checkers (and appreciate their limitation
	  ○ proofread own writing for clarity, errors and omissions	

K4.6.2	How to design and give a presentation that:
	• Summarises the findings of an analysis of financial information and data in ways appropriate for the intended audience
	• Is coherent and logically sequenced
	• Uses appropriate presentational and visualisation techniques to convey information and data in ways that are suitable for technical and non-technical audiences:
	  ○ use of the voice (tone, volume, tempo)
	  ○ representation of information and data in graphical and tabular forms
	• Use of white space, transitions, speaker notes to manipulate and control the flow of information to the audience
		E1
		E2
		E4
		E6
		D1
		D2
		D4

Scheme of Assessment – Retail and Commercial Banking Analyst

There is a single synoptic assessment for this Occupational Specialism, which is an extended project. The synoptic element of the project is important to ensure students can demonstrate threshold competence and are able to evidence all the skills required by the Performance Outcomes.

The project consists of several activities grouped into five substantive tasks.

Each task will be completed during a window set by Pearson, during which Providers will schedule supervised assessment sessions. In some cases, tasks will also involve opportunities for unsupervised activities, where the requirements of the skills being assessed make this necessary.

Occupational Specialism Project – Retail and Commercial Banking Analyst
Externally assessed project: 13 hours and 25 minutes **206 marks**
Performance Outcomes In this project students will: **PO1:** Operate ethically and professionally in all interactions with customers/clients **PO2:** Explain products and services in retail and commercial banking to internal and external customers/clients **PO3:** Apply principles of risk management when making recommendations to internal and external customers/clients **PO4:** Analyse financial information and data and present reports to internal and external customers/clients
Assessment overview There are five parts to the assessment: • Task 1 – Exploring retail banking options • Task 2 – Exploring commercial banking options • Task 3 – Communicating retail and commercial banking advice • Task 4 – Ethical and professional behaviour in retail and commercial banking • Task 5 – Analysing financial data. Students will respond to a given scenario to complete a substantial project. They will be assessed on their application of the skills listed for the Performance Outcomes. Students will not be assessed against specific ‘knowledge’ outcomes but will be expected to draw on and apply related knowledge to ensure appropriate outcomes when applying the skills in response to an assessment scenario. • Students will undertake the project under a combination of supervised and controlled conditions. • The assessment will take place over multiple sessions, up to a combined duration of 13 hours and 25 minutes. • The project outcomes will consist of a portfolio of evidence submitted electronically. • This project will be set and marked by Pearson.

Resources for the delivery of Retail and Commercial Banking Analyst

For this Occupational Specialism no specialist equipment is required.

Providers would benefit from a good IT suite with access to Office Software and the internet and for students to have regular access to this.

Teachers should have qualifications and/or experience in the business and financial sector and have some awareness of retail and commercial banking.

Teaching will need to be shared across a curriculum team which together will have the experience and knowledge that spans the breadth of the qualification content and has some experience of teaching to external assessments.

4.2 Investment Banking and Asset and Wealth Management Analyst

PO1: Operate ethically and professionally in all interactions with customers/clients and counterparties

What skills do students need to demonstrate?
S1.1 Identify legal and regulatory requirements relevant to the role, function and organisation.
S1.2 Outline how the conduct rules in relation to financial and asset markets apply personally and to the role.

What underpinning knowledge do students need?		English, maths, and digital skills
K1.1	**Legal and regulatory requirements that apply to investment banking and asset and wealth management**	
K1.1.1	The main purpose of the following Acts in establishing a regulatory framework in the UK for financial services and markets • Financial Services and Markets Act (FSMA). • Financial Services Act.	
K1.1.2	The purpose and statutory objectives of • The Financial Policy Committee (FPC) – monitors, removes or reduces risks to stability of UK finance system. • The Prudential Regulation Authority (PRA) – sets standards and supervises financial institutions. • The Financial Conduct Authority (FCA) – regulates and protects integrity of financial services and protects consumers; promotes healthy competition between service providers. • The Pensions Regulator (TPR) – regulates work-based pension schemes in UK.	

K1.1.3	The relationship between the investment banking, asset and wealth management sectors and:
	• Her Majesty's Revenue and Customs (HMRC):
	  ○ administers taxes
	  ○ investigates tax avoidance
	• The Competitions and Markets Authority (CMA):
	  ○ ensures markets work fairly
	  ○ ensures consumers are protected against unfair trading practices.	

K1.1.4	The crime of money laundering and the responsibility of the financial services industry in limiting the crime and its effects on society:
	• The three stages of money laundering:
	  ○ placement
	  ○ layering
	  ○ integration.
	• The key features and purposes of the following acts in reducing money laundering:
	  Proceeds of Crime Act (POCA)
	    – the offences of 'failing to report' and 'tipping off'
	  ○ The Criminal Finances Act.
	• The role of the Joint Money Laundering Steering Group (JMLSG).
	• The role of the Money Laundering Reporting Officer (MLRO).
	• The process and purpose of client due diligence and Know Your Client (KYC).
	• The role of the Financial Action Task Force.	

K1.1.5	The rights of individuals and clients to confidentiality of information in investment banking and asset and wealth management.
	• The key features of the:
	  ○ Data Protection Act.
	  ○ UK General Data Protection Regulation (GDPR) and its application in the workplace.	

K1.1.6	The main purpose and principles of The Bribery Act.	

K1.1.7	The purpose and principles of MiFIID II rules for fee transparency:
	• Requires investment firms to provide disclosure of costs and charges to enable clients to make informed decisions including:
	  ○ ongoing fees – management, administration custody and audit costs
	  ○ hidden fees – transaction costs (the cost of buying and selling a portfolio's investments) and taxes
	  ○ performance fees.	

What skills do students need to demonstrate?
S1.3 Outline the key features of an ethical and professional culture in investment banking and asset and wealth management.
S1.4 Demonstrate an understanding of how and when to speak up using internal and external channels.

What underpinning knowledge do students need?		English, maths, and digital skills
K1.2	**The key features of professionalism and a speaking up culture**	
K1.2.1	How clients are classified and the level of protection afforded to each under FCA regulations • Retail clients. • Professional clients. • Eligible counterparties. • Vulnerable customers.	
K1.2.2	The FCA high level principles and rules required of all financial services organisations: • The FCA Eleven Principles for Business (PRIN). • The PRA Fundamental Rules. • FCA Regulated and Prohibited activities. • The Role of Approved Persons. • The Role of Appointed Representatives.	

K1.2.3	The role of the Senior Managers and Certification Regime (SM&CR) in enabling employees to speak up when standards are not met:
	• The meaning and key features of:
	  ○ senior Managers Regime
	  ○ certification Regime
	  ○ conduct Rules.	

K1.2.4	The protection available to employees when speaking up in the workplace: • The protection available to anyone who speaks up if they see something in the workplace they believe to be unethical or illegal. • The role of the Whistleblowing Champion. • The purpose and key features of the Public Interest Disclosure Act (PIDA).	

What skills do students need to demonstrate?
S1.5 Outline the ethical and professional responsibilities to retail clients in wealth management, with particular reference to vulnerable customers.

What underpinning knowledge do students need?		English, maths, and digital skills
K1.3	**Special protections of retail clients in asset and wealth management.**	
K1.3.1	How retail clients are protected through the FCA Conduct of Business Sourcebook: • The fair treatment of clients. • Adviser charging and the disclosure of costs. • Information about the firm. • Communication, promotion and advertising rules. • Rules on suitability, switching and churning. • Assessing the appropriateness of non-advised sales. • Cancellation rights.	
K1.3.2	The recourse which retail clients have when problems arise: • An organisation's complaints procedure. • The role of the Financial Ombudsman Scheme (FOS). • The role of the Financial Services Compensation Scheme (FSCS).	

K1.3.3	The protection offered to vulnerable customers:
	• The FCA definition of vulnerability.
	• The FCA four key drivers of vulnerability and their characteristics:
	  ○ health
	  ○ life events
	  ○ resilience
	  ○ capability.
	• FCA Guidance for Firms on the Fair Treatment of Vulnerable Customers.	

What skills do students need to demonstrate?
S1.6 Identify where common ethical dilemmas and conflicts of interest may arise in investment banking and asset and wealth management.
S1.7 Apply the principles of relevant codes of conduct and ethical decision-taking models to arrive at appropriate courses of action.
S1.8 Identify when ethical conflicts and dilemmas should be escalated and to whom.

What underpinning knowledge do students need?		English, maths, and digital skills
K1.4	**Ethical dilemmas and conflicts of interest as applied to investment banking and asset and wealth management**	

K1.4.1	Ethical dilemmas and challenges which may present the opportunity for personal or institutional gain from breaches of legal and regulatory requirements or codes of conduct, and actions to take on identifying each, including:
	• Inappropriate sharing of confidential information:
	  ○ client data and information
	  ○ business data and information
	  ○ market data and information.
	• Potential for:
	  ○ money laundering
	  ○ bribery
	  ○ insider dealing
	  ○ market manipulation
	  ○ breach of HMRC regulations.
	• Risks related to the fair treatment of customers including vulnerable customers.	

K1.4.2	The three ways in which market abuse may take place and the participants involved: • Insider dealing. • Unlawful disclosure of inside information. • Market manipulation.	
K1.4.3	How clients are protected from conflicts of interest by: • FCA Client Assets Sourcebook (CASS). • FCA rules on disclosure and transparency. • FCA rules on personal account dealing (for financial services industry employees). • FCA rules on research and paying for research. • FCA rules on inducement.	

K1.4.4	The principles, purpose and key features of the Codes of Conduct which are to be followed by members of professional bodies: • Chartered Institute of Securities and Investments (CISI). • Personal Finance Society Code of Ethics.	
K1.4.5	How to use a simple ethical decision-making model: • Open, Honest, Transparent, Fair. • The PLUS model – Policy, Legal, Universal, Self.	
K1.4.6	When and how to escalate ethical dilemmas and conflicts of interest and to whom: • To line manager. • To Whistleblowing Champion. • To Money Laundering Reporting Officer (MLRO).	
K1.4.7	An awareness of the key issues surrounding the following instances where previous unethical decisions have been made and have led to harm being caused to clients and the industry: • The collapse of Enron in 2001. • The collapse of Lehman Brothers in 2008. • The securitisation of sub-prime mortgages and how this contributed to the financial crash of 2008. • The LIBOR fixing scandal 2012.	

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

What skills do students need to demonstrate?
S2.1 Outline the key types of institutions and infrastructure comprising the capital markets.

What underpinning knowledge do students need?		English, maths, and digital skills
K2.1	**The key types of institutions and infrastructure comprising the capital markets**	

K2.1.1	The role of an exchange.
	• Understand the role of and distinguish between the following exchanges:
	  ○ The London Stock Exchange (LSE)
	  ○ The Alternative Investment Market (AIM)
	  ○ ICE Futures Europe
	  ○ London Metal Exchange (LME)
	  ○ Dark pools
	  ○ EUREX Exchange.	

What skills do students need to demonstrate?
S2.2 Explain how trading can be undertaken including how trading decisions can be made by software/algorithms or humans

What underpinning knowledge do students need?		English, maths, and digital skills
K2.2	**How trading can be undertaken in markets or online including how trading decisions can be made by software/algorithms or humans.**	

K2.2.1	The meaning of primary and secondary markets and the trading services investment banks undertake for clients.
	• Trading on primary markets:
	  ○ purchasing equities and bonds directly from the issuer
	  ○ floating new company – initial public offering (IPO)
	  ○ corporate bond issuance
	  ○ private equity funding (private placement)
	  ○ rights issue – existing company issues new shares.
	• Trading on secondary markets:
	  ○ where equities and bonds are traded – the stock market.	

	• Differences between exchanges and over the counter:
	  ○ why the following are traded over the counter:
	    – bonds
	    – derivatives
	    – foreign exchange.	

K2.2.2	The role of information providers for investments: • Investment bank research analysts. • Stockbrokers. • Asset and wealth managers. • Trade press – Financial Times and Investors Chronicle. • Information platforms – Refinitiv, Bloomberg and Reuters.	
K2.2.3	The key features, risks and benefits of trading using the following types of technology: • The use of quote-driven systems. • The use of order-driven systems. • Clearing and central counterparties. • Settlement in CREST. • Share dealing platforms. • Placing trades using algorithms – consideration of how trading decisions are made by algorithms.	
K2.2.4	That investment banks sell research services to enable clients to identify opportunities for growth and investment including: • The issue of new securities. • The performance of equities and bonds. • Mergers and acquisitions.	

What skills do students need to demonstrate?
S2.3 Identify the competitor landscape.

What underpinning knowledge do students need?		English, maths, and digital skills
K2.3	**The competitor landscape**	

K2.3.1	Know the competitor landscape for investors:
	• The role of the following and their relationship to the competitor landscape:
	  ○ investment banks - JP Morgan, Goldman Sachs, BofAML, Deutsche Bank, Barclays
	  ○ market makers
	  ○ trading platforms
	  ○ execution only services
	  ○ prime brokers
	  ○ custodians.	

What skills do students need to demonstrate?
S2.4 Conduct a needs analysis to identify customers/clients' needs for one or more of the products and services.

What underpinning knowledge do students need?		English, maths, and digital skills
K2.4	**Different customers/clients and counterparties' specific characteristics**	
K2.4.1	The characteristics of different types of client of an investment bank: • Corporate clients. • Institutional investors. • Counterparties acting on behalf of their clients.	
K2.4.2	The needs of different types of client: • Corporate clients seeking advice on public equity listing and share issue. • Corporate clients seeking advice on corporate bond issue. • Corporate clients seeking advice on mergers and acquisitions. • Institutional investors requiring investment services which may include advice or be on an execution only basis. • Institutional investors requiring research services. • Counterparties requiring investment services on an execution only basis.	

What skills do students need to demonstrate?
• Summarise and present technical product information to internal and external clients (E1, E2, E4) • Synthesise the features, risks and benefits of corporate finance from different sources (E5)
S2.5 Explain key features of selected products and services to internal and external clients using non-technical language where appropriate.
S2.6 Prepare relevant documentation for a customer or client to help them access a product or service that meets their needs.

What underpinning knowledge do students need?		English, maths, and digital skills
K2.5	**K2.1 Products and services within capital markets and investment banking and their key features**	
K2.5.1	**Corporate finance** The purpose, key features, risks and benefits of the following sources of corporate finance. • The meaning and purpose of 'initial public offering (IPO)'. • Key features of IPO: o shares are traded on the primary market o shares are made available to the public o underwritten by the investment bank o underwriter commits to make best effort to sell as much of the securities as possible (best efforts offering) o potential relationship between risk and return. • Benefits of IPO: o can raise large amounts of capital o no ongoing fixed costs. • Risks of IPO: o loss of ownership and control o can be costly way to raise capital o high costs due to legal and regulatory requirements o difficult to price correctly o issue may be undersubscribed o may not raise as much capital as expected. • The meaning and purpose of debt capital markets: o investors lend to an organisation in exchange for debt securities, usually corporate bonds, which provide fixed income and capital for investors. • Key features of corporate bonds: o interest payments/coupon o credit rating o maturity date.	**E1** **E2** **E4** **E5**

	• Benefits of issuing corporate bonds:
	  ○ retain ownership and full control
	  ○ cheaper form of capital than IPO
	  ○ less regulatory requirements
	  ○ after maturity no further obligation to debt holders.
	• Risks of issuing corporate bonds:
	  ○ ongoing fixed costs
	  ○ coupons may be high depending on perceived risk
	  ○ cash must be available to pay coupons
	  ○ secured/covenants give holders rights.
	• The meaning and purpose of private equity (private placement).
	• Key features of private equity funding:
	  ○ private financing away from public markets
	  ○ investment bank finds small group of knowledgeable investors to raise finance
	  ○ potential relationship between risk and return.
	• Benefits of private equity funding:
	  ○ less regulatory requirements than IPO
	  ○ cheaper than IPO
	  ○ quicker to access finance than IPO.
	• Risks of private equity funding:
	  ○ giving up some ownership of the company and therefore control
	  ○ investors will pay less as no liquid secondary market to sell their investment.
	• The meaning and purpose of mergers and acquisitions.
	• Key features of mergers:
	  ○ mutual decision with no exchange of cash
	  ○ merge ownership and management
	  ○ issue new shares to shareholders of merged company.
	• Key features of acquisitions:
	  ○ mutual or hostile takeover for cash
	  ○ acquire minimum of 51% of equity
	  ○ acquiring organisation has the power and control.
	• Risks of mergers and acquisitions:
	  ○ too much may be paid for a business
	  ○ expected benefits are not realised
	  ○ cultural clashes affecting performance.	

	• Benefits of mergers and acquisitions:
	  ○ greater market share
	  ○ access to new markets or technology
	  ○ increased efficiency
	  ○ less competition.	

K2.5.2	**The trading of foreign exchange**
	The purpose, features, risks and benefits of foreign exchange trading.
	• Purpose of trading in foreign exchange markets:
	  ○ to hedge the risk of exposure to fluctuation in exchange rates
	  ○ to speculate (i.e. investing to take a position) in order to make a profit.
	  Features:
	  ○ traded over the counter or through derivatives
	  ○ subject to interest
	  ○ currencies are always traded in pairs
	  ○ potential relationship between risk and return.
	• Risks of trading currencies:
	  ○ can be volatile
	  ○ interest rate risk
	  ○ political (market) risks
	  ○ counterparty risk.
	• Benefits of trading currencies:
	  ○ liquid market
	  ○ wide range of options
	  ○ low transaction costs
	  ○ market is available 24 hrs a day.	

K2.5.3	**Equities**
	The purpose, features, risks and benefits of equities.
	• What is meant by 'equities'.
	• Types of equities; the differences between:
	  ○ ordinary shares
	  ○ preference shares.
	• What is meant by 'blue chip' shares.
	• Features of equities:
	  ○ the payment of dividends
	  ○ share price
	  ○ shareholder rights
	  ○ potential relationship between risk and return.	

	• Risks of equities:
	  ○ high risk
	  ○ share price fluctuations
	  ○ dividend payments fluctuate
	  ○ residual claim – if firm fails shareholders are paid after all others have been paid.
	• Benefits of equities:
	  ○ limited liability
	  ○ income through dividends
	  ○ capital gain
	  ○ voting rights
	  ○ liquid – easy to buy and sell.
	• Corporate actions in relation to equities:
	  ○ rights issue
	  ○ bonus shares
	  ○ spin offs.	

K2.5.4	**Bonds**
	The main purpose, key features and risks and benefits of investing in bonds.
	• Main purpose – to raise money for governments and/or corporations.
	• Types of bond:
	  ○ corporate bonds (fixed rate):
	    – secured
	    – unsecured (debentures)
	    – investment grade
	    – non-investment grade
	    – index-linked bond
	    – fixed-rate bond.
	• Key features of all bonds – meaning of the following terms:
	  ○ par value
	  ○ coupon
	  ○ yield – earnings
	  ○ term to maturity
	  ○ credit rating
	  ○ collateral
	  ○ principal
	  ○ interest.
	• Benefits:
	  ○ less risky compared to equities
	  ○ less volatile compared to equities
	  ○ higher expected returns than developed sovereign market bonds.	

	• Risks:
	  o credit risk
	  o interest rate risk
	  o inflation risk
	  o counterparty risk if traded over the counter
	  o liquidity risk if traded over the counter.	

K2.5.5	**Sovereign market bonds**
	The purpose and meaning of sovereign market bonds.
	• Developed markets:
	  o fixed interest gilts – money leant to government in return for regular interest payment
	  o index linked gilts – borrowing rates and payments linked to changes in the inflation rate
	  o risks:
	    – low returns
	  o benefits:
	    – high quality bonds
	    – very liquid
	    – can be inflation linked.
	• Emerging markets:
	  o risks:
	    – high volatility
	    – currency risk
	    – illiquid
	    – political risk
	  o benefits:
	    – diversify risk
	    – strong growth in fast growing economies – higher returns.
	• Frontier markets:
	  o risks:
	    – high volatility
	    – lack of liquidity
	    – high political risk
	    – higher default risk
	    – currency risk.
	  o benefits:
	    – strong growth potential.
	• Risk and return moves up as move up from developed market sovereign bonds, emerging market sovereign bonds to frontier market bonds.	

K2.5.6	**Derivatives**
	What is meant by 'derivative'.
	The types of derivative, their key features, risks and benefits.
	• What is meant by 'swaps' – two parties agree to make a series of payments in exchange for receiving a set of payments from the other party
	• Types of swap – meaning of:
	  o interest rate swaps
	  o currency swaps
	  o commodity swaps
	• Key features of swaps:
	  o start and end date
	  o nominal
	  o interest rate or margin of each of contracting parties
	  o index of reference for variable part
	  o established frequency of payment
	  o objective – to change nature of scheme of payments to suit needs of both parties
	  o use in hedging risks
	  o potential relationship between risk and return.
	• Benefits of swaps:
	  o no initial payment needs to be made
	  o can help manage risk
	  o contract can be tailored to meet specific requirements
	• Risks of swaps:
	  o counterparty risk the counterparty needs to be willing to take the opposite position and agree terms.
	• What is meant by 'call and put options'.
	• Key features of call and put options:
	  o holder – has right to buy stock (call option) or sell stock (put option)
	  o holder has right, but not the obligation, to exercise the option
	  o contents of option contract: the underlying, the size, the exercise/strike price, the expiration date
	  o option premium paid is by buyer to seller at time of initial contract which compensates seller for risk taken.
	• Benefits of call and put options:
	  o to seller – receives option premium, hopes option will not be exercised
	  o to buyer chooses whether or not to exercise an option based on the underlying's price compared with the option exercise price	

	- provides some certainty to the buyer as to the maximum price they will need to pay for the underlying - traded through an exchange so eliminates counterparty risk. • Risks of call and put options: - need to pay an option premium to the option writer. • What is meant by 'futures'? • Key features of futures: - obligation on parties to buy or sell underlying asset - meaning of: – strike/exercise price – expiration date – initial margin – marking to market – liquidity. • Benefits of futures: - standardised contracts - gain if price in futures contract is lower than market price at expiration - liquid – buyer of contract can sell same contract, seller of contract can buy same contract - exchange acts as intermediary between buyers and sellers and matches buyers and sellers, reducing counterparty risk - no upfront payment to counterparty • Risks of futures: - exchange requires contractual parties to deposit funds in own accounts as collateral to protect against defaulting - initial margin needs to be sufficient to protect exchange against movements in underlying's price - daily marking to market means profits or losses on futures contracts are settled at end of every business day - if market price of underlying is lower than futures price, may be worse off than not having entered into the contract - contract size, expiration date may not meet client requirements. • What is meant by 'forwards'? • Key features of forwards: - the meaning of: – underlying – strike/exercise price – expiration date	

	• Benefits of forwards:
	  ○ locks in price of an underlying
	  ○ gain if price agreed in forward is lower than market price of underlying
	  ○ no upfront payment needs to be made by either party prior to delivery.
	• Risks of forwards:
	  ○ counterparty risk – can be reduced by parties evaluating default risk of other party before entering into contract
	  ○ may lose if at expiration market price of underlying is lower than price agreed in the forward
	  ○ need to find counterparty.
	• How derivatives are traded:
	  ○ over-the-counter trading – greater danger of counterparty risk
	  ○ exchange-traded derivatives – less danger of counterparty risk as more regulated.
	• The difference between spot and forward rate.	

K2.5.7	**Hedge funds**
	Understand the purpose, key features, risks and benefits of hedge funds.
	• The meaning and purpose of 'hedge funds'.
	• Key features:
	  ○ available to institutional investors
	  ○ fee structure and high watermark
	  ○ performance fees
	  ○ lock-in period.
	• Benefits of hedge funds:
	  ○ potential to earn higher returns.
	• Risks of hedge funds:
	  ○ higher risks than bonds and gilts
	  ○ illiquid
	  ○ high fees.
	• Basic understanding of hedge fund strategies:
	  ○ global macro
	  ○ long short equity
	  ○ event driven
	  ○ relative value arbitrage.	

K2.5.8	**Private equity fund**
	Understand the purpose and key features, risks and benefits of private equity funds.
	• The meaning and purpose of private equity funds.
	• Key features:
	  o basic knowledge of strategies (venture capital, growth equity, buyout, distressed)
	  o structure of private equity funds
	  o fee model
	  o cashflows and J curve
	  o potential relationship between risk and return.
	• Risks:
	  o high management and performance fees
	  o can be hard to value investment
	  o illiquid investment
	  o high risk.
	• Benefits:
	  o provide portfolio diversification
	  o potential to earn high returns.
	• Expected risk return trade off:
	  o risk and return moves up as move up from bonds to equities to hedge funds to private equity to derivatives.	

PO3: Explain products and services in asset and wealth management to internal and external customers/clients

What underpinning knowledge do students need?		English, maths, and digital skills
K3.1	**The asset and wealth management industry**	
K3.1.1	How the asset and wealth management industry operates, using digital technology to: • Provide clients with investment platforms. • Provide information on investment opportunities, funds and asset and wealth management products to clients. • Enable clients to make investments and changes to those investments.	
K3.1.2	How the asset and wealth management industry generates value for: • Clients through providing advice based on their financial needs/situation, enabling them to invest in vehicles other than cash deposits. • Wider society through the generation of wealth for individuals. • Wider society through the indirect investment in businesses.	
K3.1.3	How the asset and wealth management industry fits with the industry and dependencies and interacts with the rest of the financial sector: • The interaction of fund and asset managers with investment banks. • The interaction of fund and asset managers with international asset markets. • The differences of interaction of fund and asset managers with the wider economy in times of economic growth and recession.	

What underpinning knowledge do students need?		English, maths, and digital skills
K3.2	**The role, functions and the business models of the service providers in the sector**	
K3.2.1	The business models in respect of a private bank. • Types of client. • Ownership of the bank. • The services offered by the bank. • Profit generation for owners.	
K3.2.2	The business models in respect of independent financial advisers. • The role of independent financial adviser (IFA). • What the term 'independent' means. • The advice services they are able to provide to clients. • The ways in which they are remunerated.	
K3.2.3	The business models in respect of investment advisers/ consultants. • The role of the investment consultant. • The individuals and organisations who might appoint an investment consultant. • The research services they are able to provide to their clients. • The advice services they are able to provide to their clients.	
K3.2.4	The business models in respect of investment administrators. • The role of investment administrators. • The need for and importance of investment administrators. • The organisations who might make use of the services of an investment administrator. • The administration, legal and compliance services an administrator can provide. • The customer service function a third-party administrator can provide to fund managers.	
K3.2.5	The business models in respect of fund managers. • The role of fund managers. • The need for and importance of fund managers. • The individuals and institutional investors who might use the services of a fund manager.	

What underpinning knowledge do students need?		English, maths, and digital skills
K3.3	**Different standpoints within the asset and wealth management sector**	

K3.3.1	Which parties are on the buy side of securities and which are on the sell side
	• Buyers of securities:
	    o individuals
	    o investment and fund managers
	    o pension funds
	    o hedge funds.
	• Sellers of securities:
	    o corporations which are the issuer of the securities
	    o investment banks
	    o investment advisory firms.	

K3.3.2	The differences between active and passive investing.
	Active investing:
	• What is meant by active investing?
	• Advantages of active investing:
	    o expertise of fund manager in choosing investments
	    o may provide access to investments not usually available to individual investors
	    o can invest in new investments
	    o can react more quickly to events
	    o may receive higher return than market average.
	• Disadvantages of active investing:
	    o higher management fees
	    o needs to outperform market average.
	Passive investing:
	• What is meant by passive investing.
	• Advantages of passive investing:
	    o return of fund will closely match index being tracked
	    o lower management charges
	    o diversification across index.
	• Disadvantages of passive investing:
	    o cannot invest in new investments as need to be on index being tracked
	    o possibility of operational risk – tracking error.
	• The operation of exchange traded funds.
	• The benefits and risks of passive investing.	

What skills do students need to demonstrate?
S3.1 Conduct a needs analysis to identify customers'/clients' financial needs for wealth or asset management products and services.

What underpinning knowledge do students need?		English, maths, and digital skills
K3.4	**How to conduct a needs analysis for a retail client/customer**	
K3.4.1	How to carry out a needs analysis for a client in order to advise appropriate investment strategies: • Identify the client's available budget for investment. • Recognise the client's financial planning and investment priorities. • Take into account their age and personal situation. • Recognise the client's stage in the financial lifecycle. • Take into account the client's previous experience of investing. • Calculate the growth level needed to achieve client financial targets and checking for errors.	

What skills do students need to demonstrate? • Summarise the key features of products and services to external customers/clients (E1, E2, E4) • Synthesise information on products (E5)
S3.2 Explain key features of selected products and services within asset and wealth management to internal and external customers/clients using non-technical language where appropriate.
S3.3 Prepare relevant documentation.

What underpinning knowledge do students need?		English, maths, and digital skills
K3.5	**Investment funds including what the fund was set up to do, the purpose of the funds, why the funds are there and how they got there**	
K3.5.1	• What is meant by an investment fund? • What is meant by an investment account? • Why investing in investment funds may hold less risk for retail clients than investing directly in individual FTSE shares, AIM shares, bonds	**E1** **E2** **E4** **E5**
K3.5.2	**Mutual (collective) funds** • What is meant by a collective fund – a group investment from multiple shareholders, invested in variety of assets? • The purpose and investment aims of collective funds – allows investors to invest across different assets. • The investors who might choose to invest in these funds.	

	• The purpose for which the investors invest in these funds – to diversify and spread risk and to gain growth in capital. • Benefits – diversification, liquidity, professionally managed, regulated. • Risks – market risk, inflation risk, interest rate risk, credit risk. • The relationship between risk and return.	

K3.5.3	**Equity funds**
	• What is meant by an equity fund – a fund that invests in stocks (shares).
	• Types of equity fund:
	  ○ developed markets
	  ○ emerging markets.
	• Differences between:
	  ○ the investment aim of the funds
	  ○ the investors who might choose to invest in these funds.
	• The purpose for which investors invest in these funds.
	• Benefits – capital gain when share prices rise, can pay dividends.
	• Risks – market risk leading to potential fall in share price and value of fund.
	• The relationship between risk and return.	

K.3.5.4	**Income funds**
	• What is meant by an income fund – invests in bonds or dividend shares to provide a regular income.
	• Types of income fund:
	  ○ equity income (from share dividends)
	    – dividend income fund (accumulation, distribution).
	  ○ fixed income fund (bond income from interest):
	    – government bonds (UK gilts)
	    – corporate bonds
	    – high yield corporate bonds
	    – combination of these.
	• The investment aim of the funds.
	• The investors who might choose to invest in these funds.
	• The purpose for which the investors invest in these funds.
	• Benefits – provide regular income, liquid (bond funds).
	• Risks – inflation risk, market risk, default risk (bonds).
	• The relationship between risk and return.	

K3.5.5	**Tracker/index funds**
	• What is meant by a tracker fund – passively managed fund that follows the movement of a market index:
	  ○ funds that follow a broad index
	  ○ funds that follow part of an index for targeted investments.
	• Types of tracker fund:
	  ○ open-ended funds
	  ○ exchange traded funds.
	• Differences between:
	  ○ the investment aim of these funds
	  ○ the investors who might choose to invest in these funds.
	• The purpose for which the investors invest in these funds.
	• Benefits – flexible, low cost, diversified, transparent, liquid, allow access to international markets.
	• Risks – investment risk, market risk, taxation levels may fluctuate.
	• The relationship between risk and return.	

K3.5.6	**Balanced funds** • What is meant by balanced funds – invests across asset types including stocks and bonds. • The investment aim of balanced funds. • The investors who might choose to invest in these funds. • The purpose for which the investors invest in these funds. • Benefits – diversified portfolio to protect against market risk. • Risks – lower risk may be reflected in lower returns; may still be prone to market risk. • The relationship between risk and return.	
K3.5.7	**Money market funds** • What is meant by money market fund – invests in high-quality securities (bonds) that usually mature in less than year. • The investment aim of money market funds. • The investors who might choose to invest in these funds. • The purpose for which the investors invest in these funds. • Benefits – diversified, liquid, nature of investments leads to security, stability, short-term nature reduces risk. • Risks – credit risk, market risk, low returns (as low risk). • The relationship between risk and return.	

K3.5.8	**International and global funds**
	• International funds:
	  o what is meant by an international fund – invests in countries around the world excluding home country.
	  o types of international funds:
	    – developed markets
	    – emerging markets
	    – regional funds.
	• Global (world) funds:
	  o what is meant by global funds – invests in countries around the world including home country
	  o types of global funds:
	    – developed markets
	    – emerging markets
	  o differences between:
	    – the investment aim of the funds
	    – the investors who might choose to invest in these funds
	    – the purpose for which the investors invest in these funds
	    – risks and benefits
	    – the relationship between risk and return	

K3.5.9	**Ethical funds** • What is meant by ethical funds – bases investments on ethical principles including environmental, social and governance (ESG) and sustainability principles and avoiding investments seen as unethical. • Types of ethical fund. • The investment aim of the fund. • The investors who might choose to invest in these funds. • Advantages of ethical funds: investor has opportunity to invest in companies that align with own beliefs and values. • Risks – may not be available through passive funds; may not provide best returns. • The purpose for which the investors invest in these funds. • The relationship between risk and return.	
K3.5.10	**Pension funds** • What is meant by a pension fund? • The underlying legal structure. • The investment aim of the funds – to ensure there will be enough money in the fund to provide income in retirement. • The range of funds available. • Charges – initial and annual management (AMC). • The investors who might choose to invest in these funds.	

	• The purpose for which the investors invest in these funds. • The tax advantages which the government gives to pension funds and the reasons for this. • Risks – investment risk, inflation risk. • The relationship between risk and return.	
K3.5.11	**Private endowments** • What is meant by private endowments – donation of money to non-profit organisation which uses resulting investment income for specific purpose. • How funds are created – initial money is donation; usually organised as trust. • The purposes for which private endowments are created. • The investment aim of the fund. • The individuals who might choose to set up the endowments.	
K3.5.12	**A fund of funds** • What is meant by a fund of funds – a pooled investment, the fund invests in a portfolio of other funds. • How a manager decides which funds to invest in. • The investment aim of the funds. • The investors who might choose to invest in these funds. • The purpose for which the investors invest in these funds. • Benefits – diversified so spreads risk; professionally managed. • Risks – higher management feeds; may be less liquid than other investments; diversification can lead to lower returns. • The relationship between risk and return.	
K3.5.13	**Pre-selected funds** • What is meant by a pre-selected fund? • Types of pre-selected fund: • blended • ready-made • hand-picked. • The reason why wealth managers offer these funds to clients. • The investors who might choose to invest in these funds. • The purpose for which investors invest in these funds. • Benefits – diversified so spreads risk; professionally managed. • The relationship between risk and return.	

K3.5.14	**Sovereign wealth funds**
	• What is meant by sovereign wealth funds – state owned investment fund, made up of money generated by government.
	• Types of sovereign wealth fund:
	  ○ developed market sovereign bonds
	  ○ emerging market bonds.
	• Differences between:
	  ○ the investment aim of the funds
	  ○ the investors who might choose to invest in these funds.
	• The purpose for which the investors invest in these funds:
	  ○ developed market – generally more stable, generally less potential for growth
	  ○ emerging market – generally less stable, generally greater potential for growth.	

K3.5.15	**Venture capital trusts** • What is meant by venture capital trusts – investment companies listed on London stock exchange set up to invest in small businesses. • The investment aim of the funds. • The investors who might choose to invest in these funds. • The purpose for which the investors invest in these funds. • The tax advantages which the government provides to investors in these funds and the reasons for these. • The relationship between risk and return. • Benefits – reduced tax, can provide tax-free income. • Risks of venture capital trusts – liquidity risk, market risk due to nature of investments.	

What underpinning knowledge do students need?		English, maths, and digital skills
K3.6	**Products within asset and wealth management and their key features**	

K3.6.1	The purpose, key features, risks and benefits of unit trusts.
	• What is meant by a unit trust?
	• Key features of unit trusts:
	  o the underlying legal structure of a trust
	  o the range of funds available
	  o pricing of units – single and dual pricing methods
	  o charges – initial and annual management (AMC).
	• Benefits of unit trusts:
	  o can invest small amounts
	  o managed by fund manager
	  o regulated
	  o diversified portfolio
	  o liquid
	  o provides regular income
	  o taxed at lower rate than other forms of income.
	• Risks of unit trusts:
	  o market (foreign exchange) risk
	  o interest rate risk
	  o credit risk
	  o loss of control
	  o management fees, even if performs badly
	  o offer price needs to exceed bid price to make profit.
		E1
		E2
		E4
		E5

K3.6.2	The purpose, key features, risks and benefits of open-ended investment companies (OEICs).
	• The underlying legal structure of an OIECs as a company.
	• The range of funds available.
	• Pricing of units – single and dual pricing methods risk.
	• Charges – initial and annual management (AMC).
	• Benefits of OEICs:
	  o managed professionally
	  o diversified portfolio
	  o regulated
	  o liquid.
	• Risks of OEICs:
	  o annual fees, sales charges
	  o may incur tax unless in ISA wrapper
	  o may be subject to market risk.	

K3.6.3	The purpose, key features, risks and benefits of investment trusts:
	• What is meant by investment trusts?
	• The underlying legal structure.
	• The range of funds available.
	• Pricing of units.
	• Charges – initial and annual management (AMC).
	• Benefits of investment trusts:
	  ○ provide consistent income
	  ○ fully invested
	  ○ diversified
	  ○ gearing can boost returns.
	• Risks of investment funds:
	  ○ can trade at premium or discount to net asset value (NAV)
	  ○ market risk
	  ○ liquidity risk
	  ○ gearing can increase losses
	  ○ more volatile than other investments as more factors can affect performance.	

K3.6.4	The key features of pension products.
	• What is meant by a pension product?
	• Personal pension plans:
	  ○ arranged by client with pension provider
	  ○ defined contribution pension
	  ○ tax relief on contributions.
	• Types of personal pension plan:
	  ○ stakeholder personal pensions:
	    – must meet government standards in relation to cap on charges, low minimum contributions and flexibility in starting and stopping contributions.
	    – invests in small range of funds selected by pension provider.
	  ○ self-invested personal pension plans (SIPPS):
	    – individuals make their own investment decisions
	    – tax wrappers
	    – greater range of investments available compared with personal pensions.	

K3.6.5	The purpose, key features, risks and benefits of insurance company investment bonds. • That a bond is technically a whole of life policy. • Investment can be selected from a number of funds. • Withdrawals of up to 5% of investment can be taken tax deferred.	

	• Frequently written in Trust to benefit others. • Charges – initial and annual management (AMC). • Benefits of insurance company investment bonds: ○ tax efficient ○ potential for high returns ○ regular dividend/bonus payments ○ single initial deposit ○ allows for long-term savings. • Risks of insurance company investment bonds: ○ market risk ○ fees and charges.	

What underpinning knowledge do students need?		English, maths, and digital skills
K3.7	**Services in asset and wealth management and their key features**	
K3.7.1	The portfolio services offered by asset and wealth managers: • Provision of research and expertise. • Tailored solutions for high net worth (HNW) clients. • Discretionary fund management. • Ongoing monitoring of investment performance.	**E1** **E2** **E4** **E5**
K3.7.2	The services offered by private banks for asset and wealth management: • Managed investment portfolios. • Advisory investment portfolios. • Management of trusts and foundations.	
K3.7.3	How asset and wealth management products and services can support tax planning: • What meant by is tax planning? • The benefits of tax planning. • The purpose and benefits of tax wrappers for income and growth, including Individual Savings Account (ISA) investments: ○ cash ISA ○ stocks and shares ISA. • Tax advantages of investing in venture capital companies and funds. • The placing of investments in trusts for inheritance tax planning purposes.	

What skills do students need to demonstrate?
• Synthesise client information to identify customer/client needs at retirement and present options (E1, E2, E4, E5) • Use rules and formulae to determine customer/clients required income in retirement (M4)
S3.4 Identify customers'/clients' available retirement options and income needs at retirement.
S3.5 Perform calculations and check for accuracy in given wealth management product and services and pension products.

What underpinning knowledge do students need?		English, maths, and digital skills
K3.8	**Retirement options**	
K3.8.1	How to ascertain a client's required income in retirement: • Determine pre-retirement income. • Determine any savings which will be made on retirement. • Determine any extra spending which will be required post-retirement. • Establish any other income in retirement other than from pension fund – state pension, income from investments. • Calculate income required from pension fund.	**E1** **E2** **E4** **E5** **M4**
K3.8.2	The option to use a pension fund to purchase an annuity: • Key features of annuities. • The clients who might choose to purchase an annuity. • Benefits of annuities – guaranteed income, tax benefits. • The risks of annuities – may not get money's worth if die prematurely.	
K3.8.3	The option to fully encash a pension fund: • A percentage of fund will be free of tax. • Key features of encashing pension fund. • Benefits of encashing pension fund – quick access to pension fund, fund can be reinvested, regular income for life span may not be needed (poor health). • Risks of encashing a pension fund – tax, no regular income.	
K3.8.4	The option to set up a pension drawdown arrangement: • A percentage of fund will be free of tax. • Key features of pension drawdown arrangements. • Benefits of pension drawdown arrangements – investment growth provides higher returns. • Risks of pension drawdown arrangements – fund may fall in value.	

K3.8.5	The option to draw lump sums from a pension fund: • Key features of drawing lump sums from a pension fund. • Benefits of drawing lump sums from a pension fund – allows control over fund. • Risks of drawing lump sums from a pension fund – no regular income, can lose value, may be liable for tax.	

What underpinning knowledge do students need?		English, maths, and digital skills
K3.9	**An awareness of the regulatory and legislative environment for retirement planning**	
K3.9.1	The changes introduced by the Pensions Act: • State retirement age. • Rules for autoenrollment. • Opting in and opting out. • Minimum levels of contribution.	
K3.9.2	Understand that there are maximum levels of pension fund and contributions. • Permitted contribution levels. • Lifetime allowance for current tax year.	

What underpinning knowledge do students need?		English, maths, and digital skills
K3.10	**Different types of pension arrangement**	
K3.10.1	• What is meant by a defined benefit pension? • Key features of a defined benefit pension. • Benefits of a defined benefit pension – fixed payout. • Risks of a defined benefit pension – no say in how money is invested, may only receive portion of benefits if leave employment early.	**E1** **E2** **E4** **E5**
K3.10.2	• What is meant by a defined contribution pension? • Key features of a defined contribution scheme. • Benefits of a defined contribution pension – allows investments to build up for retirement, tax advantages, flexible, inheritable. • Risks of a defined contribution pension – finite amount, subject to market risk.	

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

What skills do students need to demonstrate?
• Convey risks of products in investment banking and asset and wealth management (E1, E2, E4) • Synthesise information on risk in products (E5)
S4.1 Evaluate the level of risk of selected products and services for internal/ external customers/clients.
S4.2 Explain potential risks and benefits of selected products and services for consideration to internal and external customers/clients orally and in writing.

What underpinning knowledge do students need?		English, maths, and digital skills
K4.1	**The concept of investment risk for individuals and corporate investors**	
K4.1.1	Understand why an individual might take investment risk to: • Provide them with an additional income. • Make funds available for a particular financial target. • Increase their overall wealth.	
K4.1.2	Understand why a business or institution might take investment risk to: • Provide an additional income to the organisation. • Make funds available for a particular financial target. • Increase the overall wealth of the business or institution.	
K4.1.3	Know how to assess investment risk for internal and external clients in terms of: • The possibility of loss versus the potential for an investment return. • The broad principle of the higher the risk taken, the greater the potential return or potential loss. • The taking of investment risk to outperform prevailing interest rates and/or rate of inflation.	

What underpinning knowledge do students need?		English, maths, and digital skills
K4.2	**The key risks involved in different products and services for individuals and corporate investors**	
K4.2.1	The risks which corporate investors and individuals take when investing directly in: • Sovereign markets. • Foreign exchange. • Commodities. • Equities. • Corporate bonds and gilts. • Derivatives – futures, forwards, swaps, options. • Hedge funds. • Private equity.	**E1** **E2** **E4** **E5**
K4.2.2	The risks which individual investors take when investing in collective investment products: • Units trusts and open-ended investment companies (OEICS). • Investment trusts. • Insurance company investment bonds. • Venture Capital Trusts (VCTs). • Exchange traded funds.	

What underpinning knowledge do students need?		English, maths, and digital skills
K4.3	**The key risks involved in primary and secondary markets**	
K4.3.1	The main risks presented by investing in the primary markets for: • Equities. • Corporate bonds and gilts. • Derivatives.	**E1** **E2** **E4** **E5**
K4.3.2	The main risks presented by investing in the secondary markets for: • Equities. • Corporate bonds and gilts. • Commodities. • Derivatives.	

What underpinning knowledge do students need?		English, maths, and digital skills
K4.4	**The key principles of risk management**	

K4.4.1	The different types of risk and how each of these can be controlled and mitigated.
	• Credit risk:
	  ○ borrower may fail to pay lender owed principal and interest
	  ○ can be controlled through credit control policies – higher coupon rate to allow for excess cash flows.
	• Market risk:
	  ○ overall performance of investments in financial markets simultaneously affected due to changes in interest rates, exchange rates, recessions, geopolitical events
	  ○ can be controlled by diversifying investments geographically and by sector.
	• Operational risk:
	  ○ errors, breaches, interruptions caused by people, processes, systems
	  ○ can be controlled through robust training, management, security and IT policies.
	• Liquidity risk:
	  ○ when investor cannot meet short-term dept obligations
	  ○ can be controlled by ring-fencing funds to ensure obligations can be met.
	• Counterparty risk:
	  ○ either party is unable to make required payments on dept obligations
	  ○ can be controlled by policies to trade only with highly rated counterparties.
	• Modelling risk:
	  ○ financial model used to measure market risk fails or performs inadequately
	  ○ can be controlled by ensuring accurate model used with no data or calibration errors.	

What underpinning knowledge do students need?		English, maths, and digital skills
K4.5	**Risk appetite and capability of clients and how to gauge it**	

K4.5.1	The concepts for a corporate investor of:
	• Risk appetite.
	• Capability to understand:
	  ○ their investment decisions
	  ○ the products invested in.
	• Client's capacity for loss.	

K4.5.2	The concepts for an individual of:
	• Risk appetite – client's willingness to accept risk.
	• Client's capability to understand:
	  ○ their investment decisions
	  ○ the products invested in
	  ○ the markets
	  ○ exposure to risk
	  ○ ability to take risk.
	• Client's capacity for loss.	

K4.5.3	How to set a risk rating scale for a client: • Risk rating 1-2 is low attitude to risk. • Risk rating 3 is low to medium attitude to risk. • Risk rating 4-5 is medium attitude to risk. • Risk rating 6 is medium to high attitude to risk. • Risk rating 7 is high attitude to risk.	

What underpinning knowledge do students need?		English, maths, and digital skills
K4.6	**The investment and financing needs of institutional/corporate clients at different stages**	
K4.6.1	The changing finance and investment needs of an institutional client at different funding stages: • Seed stage. • Start-up stage. • Growth stage. • Established stage • Expansion stage. • Decline stage. • Exit stage.	

What underpinning knowledge do students need?		English, maths, and digital skills
K4.7	**The investment needs of individuals at different life stages**	
K4.7.1	The changing investment needs of a retail client at different life stages: • Early career years. • Family and career building years. • Pre-retirement years. • Retirement years.	

What skills do students need to demonstrate? • Report on performance to clients using data (E1, E2, E4, M5, M6, M7, M8) • Analyse client assets using rules and formulae (E5, M4, M5, D3)
S4.3 Measure performance of a client's portfolio.
S4.4 Prepare relevant documentation.

What underpinning knowledge do students need?		English, maths, and digital skills
K4.8	**Monitoring a client's assets and portfolio**	
K4.8.1	The ways of monitoring a client's assets and portfolio: • Obtain up-to-date valuations of a client's assets and/or investment products within their portfolio. • Compare current valuations with previous values. • Benchmark current valuations and performance against similar funds. • Benchmark current valuations and performance against relevant indices. • Benchmark current valuations and performance against projections and client expectations. • Report to client on performance and value of total portfolio of assets.	**E1** **E2** **E4** **E5** **M4** **M5** **M6** **M7** **M8** **D3**

What underpinning knowledge do students need?		English, maths, and digital skills
K4.9	**The risks in a portfolio and how to measure and manage them**	

K4.9.1	How to measure and manage risks in a portfolio
	• The process of risk control:
	    ○ risk identification
	    ○ risk analysis
	    ○ risk treatment
	    ○ risk reporting.
	• Identify the risks present within a portfolio of assets and/or investment products.
	• Compare a portfolio of investments with the client's risk appetite.
	• Rebalance a portfolio to ensure it remains within a client's risk profile.
		E1
		E2
		E4
		E5

What underpinning knowledge do students need?		English, maths, and digital skills
K4.10	**Product risk control and governance**	
K4.10.1	The process of risk control: • Risk identification. • Risk analysis. • Risk treatment. • Risk reporting.	

PO5: Analyse financial information and data and present reports to internal and external customers/clients/counterparties

What skills do students need to demonstrate?
S5.1 Collect and collate financial information and data from a range of sources.

What underpinning knowledge do students need?		English, maths, and digital skills
K5.1	**Research markets and data collection**	
K5.1.1	Why investment banks/asset and wealth management companies carry out research to: • Understand the needs of existing and potential clients and counterparties. • Identify competitors and competitor actions in the marketplace. • Identify investment products for client portfolios. • Identify market demand. • Identify performance of financial markets.	
5.1.2	Know how research is carried out: • Use of reliable sources. • Checking to ensure that data and information collected is authentic. • Checking to ensure that data and information collected is accurate. • Ensuring that, where possible, data and information is cross-checked to other sources; concept of triangulation. • Ensuring that the data and information collected is sufficient for the purpose it is required for.	
K5.1.3	The sources that can be used when researching investment opportunities and portfolios: • Company websites. • Companies House website. • London Stock Exchange. • Office for National Statistics (ONS). • Government publications. • News updates and press releases. • Financial data providers. • Debt Management Office. • Bank of England.	

K5.1.4	The different data sets that can be used when researching investment opportunities and portfolios: • Share prices. • Company sales, profits and earnings. • Performance (investment returns) of investment products. • Performance (investment returns) of benchmarks and market indices. • Bond yields. • Asset valuations. • GDP growth rates. • Inflation rates. • Interest rates. • Exchange rates.	

What skills do students need to demonstrate?
• Analyse data to identify trends and patterns (M4, M5, M6, D3) • Use digital tools to communicate data in textual and diagrammatic formats (M7, M8, D3)
S5.2 Manipulate data to come to a conclusion, and make a recommendation on investment decisions.
S5.3 Select and use appropriate tools to perform analysis.
S5.4 Examine large volume of data and establish trends and find patterns.
S5.5 Test data to check for errors or invalid results.

What underpinning knowledge do students need?		English, maths, and digital skills
K5.2	**The different ways of analysing and reporting data**	

K5.2.1	The different ways of analysing data:
	• How to examine large volumes of data to:
	  ○ check for duplicate data
	  ○ sense check data for invalid entries
	  ○ check for incorrect assumptions.
	• Identifying any patterns, trends and anomalies:
	  ○ relative to benchmarks
	  ○ relative to historical data
	  ○ relative to peer group data
	  ○ relative to sector benchmarks.
	• Using relevant formulae to calculate different performance ratios, rounding to two decimal places:
	  ○ price to earnings ratio = share price/earnings per share
	  ○ dividend yield = annual dividend paid per share/ price per share
	  ○ earnings per share = net income/number of shares outstanding
	  ○ return on equity = net income/total equity
	  ○ bond yield = (Interest return/current trading price) x100
	• Using relevant formulae to calculate growth in lump sum investments with either fixed or assumed constant rates of interest or growth:
	  ○ using simple interest method = Principal x Rate x Time
	  ○ using the compound interest method = Principal $(1+\text{Rate})^{\text{Time}}$ – Principal
	• How to use data to reach conclusions on investment decisions for clients
	• How to process and analyse information and data effectively and securely, using relevant digital tools
	• How to use digital tools to gather, model, interrogate and quality assure information and data
		M4
		M5
		M6
		M7
		M8
		D3

K5.2.2	How to evaluate forecast data • Extrapolation • Scenario analysis and stress testing • Carry out forecasting – calculate an estimated growth rate for dividends using historic data • Evaluating the limitations of forecasting	
K.5.2.3	The appropriate tools to use when presenting and analysing data • Charts • Spreadsheets • Tables • Software – word processing, presentation, spreadsheet software	
K.5.2.4	The different charts used to present data, and when it is appropriate to use them • Bar chart • Pie chart • Line graphs • Scatter plots	

What skills do students need to demonstrate? • Convey information to clients using digital tools (E1, E2, E4, M4, M6) • Use digital tools to communicate data in textual and diagrammatic formats (E5, M5, M7, M8, D3)
S5.6 Prepare an internal client investment report.
S5.7 Prepare a report which captures significant changes to an investment portfolio as instructed by a client.
S5.8 Sense check information and options. Review changes and trends and be able to arrive at insightful conclusions.
S5.9 Draw conclusions from analysis and interrogation of data and other financial information.
S5.10 Present findings to internal and external clients both verbally and in writing using a variety of visualisation and presentation techniques.

What underpinning knowledge do students need?		English, maths, and digital skills
K5.3	**Client servicing and reporting**	
K5.3.1	The three methods of portfolio valuation: • Market. • Cash. • Income. How to calculate a portfolio valuation for a client given asset holding valuations: • Why pension funds are concerned about both the valuation of assets and liabilities.	**E1** **E2** **E4** **E5** **M4** **M5** **M6** **M7** **M8** **D3**
K5.3.2	How to undertake client servicing: • The benefits to clients of investing via an investment fund. • What an annual assessment of value is. • How to identify the best suitable investment solutions to suit different needs of clients based on affordability and attitude to risk. • How to recommend changes to portfolios based on market trends.	

K5.3.3	How to produce client reporting:
	• Find data and scrutinise it for its relevance to the client.
	• How to analyse management data to show:
	  ○ client activity
	  ○ sales performance
	  ○ asset management and portfolio performance
	  ○ saving costs for the client
	  ○ debt and equity financing
	  ○ investing money in companies/projects
	  ○ corporate finance – mergers, acquisitions and initial public offerings.
	• Prepare reports for clients using a variety of visualisation and presentation techniques such as Word, PowerPoint and Excel, showing portfolio valuations and analysis of their investment portfolio.
	• Prepare a report which captures significant changes to an investment portfolio as instructed by a client.
	• Create visual representations of data such as graphs, diagrams, charts and tables to summarise key points.
	• Highlight keys points within these diagrams to provide evidence for decision making.
	• Articulate clearly in both writing and oral presentation so that they can explain mathematical concepts in easily accessible terms.
	• Make effective use of digital devices and software to complete investment reports.
	• Produce content in appropriate media for investment banking and asset and wealth management contexts.
	• Understand key issues, tools and techniques relating to data processing.	

Scheme of Assessment – Investment Banking and Asset and Wealth Management Analyst

There is a single synoptic assessment for this Occupational Specialism, which is an extended project. The synoptic element of the project is important to ensure students can demonstrate threshold competence and are able to evidence all the skills required by the Performance Outcomes.

The project consists of several activities grouped into five substantive tasks.

Each task will be completed during a window set by Pearson, during which Providers will schedule supervised assessment sessions. In some cases, tasks will also involve opportunities for unsupervised activities, where the requirements of the skills being assessed make this necessary.

Occupational Specialism Project – Investment Banking and Asset and Wealth Management Analyst
Externally assessed project: 13 hours and 25 minutes **206 marks**
Performance Outcomes In this unit, students will: **PO1:** Operate ethically and professionally in all interactions with customers/clients and counterparties **PO2:** Explain products and services in investment banking to internal and external customers/clients and counterparties **PO3:** Explain products and services in asset and wealth management to internal and external customers/clients **PO4:** Apply principles of risk management in investment banking and asset and wealth management **PO5:** Analyse financial information and data and present reports to internal and external customers/clients/counterparties
Assessment overview There are five parts to the assessment: • Task 1 – Recommending asset and wealth management products and services • Task 2 – Recommending investment banking products and services • Task 3 – Communicating recommendations to clients • Task 4 – Dealing with ethical and professional dilemmas • Task 5 – Analysing financial data. Students will respond to a given scenario to complete a substantial project. They will be assessed on their application of the skills listed for the Performance Outcomes.

Students will not be assessed against specific ‘knowledge’ outcomes but will be expected to draw on and apply related knowledge to ensure appropriate outcomes when applying the skills in response to an assessment scenario.

- Students will undertake the project under a combination of supervised and controlled conditions.
- The assessment will take place over multiple sessions, up to a combined duration of 13 hours and 25 minutes.
- The project outcomes will consist of a portfolio of evidence submitted electronically.
- This project will be set and marked by Pearson.

Resources for the delivery of Investment Banking and Asset and Wealth Management Analyst

For this Occupational Specialism no specialist equipment is required.

Providers would benefit from a good IT suite with access to Office Software and the internet and for students to have regular access to this.

Teachers should have qualifications and/or experience in the business and financial sector and have some awareness of investment banking, assets and wealth management.

Teaching will need to be shared across a curriculum team which together will have the experience and knowledge that spans the breadth of the qualification content and has some experience of teaching to external assessments.

4.3 Insurance Practitioner

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

What skills do students need to demonstrate?
S1.1 Identify ethical dilemmas and conflicts of interest that may arise within the insurance industry.
S1.2 Apply the principles of relevant codes of conduct and ethical decision-taking models to arrive at appropriate courses of action.
S1.3 Identify when ethical conflicts and dilemmas should be escalated, and to whom.

What underpinning knowledge do students need?		
K1.1	Know how the organisational culture of an insurance business impacts on its business conduct • What is organisational culture? • Types of and characteristics of organisational cultures • Understand the sources of conduct risk and how it relates to Treating Customers Fairly and a fairness culture • Showing clear understanding of policies that have impact on clients and own organisation and the impact of these • Differentiate between what is fair and what is unfair customer treatment • Showing clear understanding how the insurance business applies the code of conduct of the industry • What lessons were learnt about insurance culture and conduct from financial crisis that affected the UK and International markets • Brand reputation and how 'doing the right things by customers' is a source of competitive advantage	
K1.2	The importance of individual accountability and responsibility for insurance practitioners including: • Presenting information accurately, effectively, honestly and with integrity, using appropriate communication methods • Considering clients and organisation needs before own • Ensuring transparency regarding commission and financial transactions • Creating a development plan to develop a deeper understanding of the role and how to work effectively with it • Supporting colleagues and stakeholders in legal and regulatory compliance • Working within agreed priorities • Avoiding conflicts of interest through full disclosure of information	

K1.3	Know how the financial regulators' use of principles and outcomes-based regulation is used to promote ethical and fair outcomes • Principles for Business – eleven principles of good business practice, in particular Principle 6 – the fair treatment of customers. • Impact of Corporate Culture and leadership • Need for integrity, competence, and fair outcomes for clients – Approved Persons and Senior Managers and Certification Regime (SM&CR)	
K1.4	The principles of regulatory requirements for insurance businesses using information from a case study scenario to address common ethical dilemmas and conflicts of interest may arise • Five main principles of the CII Code of Ethics • Main principles to usual day-to-day interactions and activities • Positive and negative indicators to ethical performance of duties	
K1.5	The different approaches to ethics that apply in the UK insurance industry to make recommendations to ethical dilemmas identified in a case study scenario • Consistently act in a fair, professional, and ethical manner • Takes responsibility for own actions • Follow organisational policies and procedures effectively and consistently • Responding to audit procedures and company guidelines on ethical behaviour • Treating customers fairly	
K1.6	The compliance and risk requirements relating to generic entry roles in the insurance industry when dealing with customer enquiries, quotations, policy renewals and extensions, from a case study scenario including: • Ensure that all industry codes of conduct are adhered to when dealing with customers. • Responding to organisational policies resulting from regulatory requirements • Encouraging others to remain compliant to legal requirements	
K1.7	The different ethical decision-making models that support analysis and underpin decision making • Define the problem • Consult resources and seek assistance • Consider the lasting effects • Consider regulations within the industry • Consider organisation policies and procedures, legal parameters, core values, standards • Principles of ethical behaviour • Rationality	

	• Honesty • Justice • Make a decision • Implement and evaluate	
K1.8	The key features of professionalism that an insurance practitioner should adhere to, including: • Demonstrating client centricity • Adopting a principled approach that embodies the organisation's values • Recognising when ethical conflicts and dilemmas should be escalated and to whom • Complaints handling processes specific to the insurance sector	

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

Learners need to be able to:
• **Provide advice to customers and clients about the types of insurance products and services that can best meet their needs** • **Prepare information for an underwriting proposal for an insurance policy to meet non-standard insurance needs** • **Explain advice to customers and clients so that they understand what is being purchased including the features of different products, potential risks and potential benefits of the products and services they are purchasing.**

What skills do students need to demonstrate? • **Explain key features of insurance (E1, E2)** • **Prepare documents for underwriting policies (E3)** • **Discuss Insurance products (E6)**
S2.1 Identify the insurance needs of personal insurance customers and commercial insurance clients.
S2.2 Explain key features of selected products and services in commercial banking to customers/clients using non-technical language where appropriate.
S2.5 Prepare information for the underwriting of an insurance policy.

What underpinning knowledge do students need?		**English, maths and digital skills**
K2.1	The core principles of insurance and how these apply to providing insurance products and services to customers • The need for insurance and its role as a risk transfer mechanism • The benefits of insurance to policyholders and society as a whole • The duty of good faith • Insurable interest • Indemnity • Subrogation • Proximate cause • Contribution • Avoidance of rising premiums • Types of insurable and non-insurable risks • Types of non-insurance services	

K2.2	The role of the key players in the insurance industry • Insurance companies • Lloyds • Reinsurers • Brokers and intermediaries • Aggregators The role of the different stakeholders in the structure of the insurance market • Buyers • Intermediaries • Aggregators • Insurers • Reinsurers	
K2.3	The purpose, main features and requirements of key legislation and regulation relevant to the provision of insurance products and services including: • Data Protection legislation • Insurance Act • Consumer Rights Act • Contracts (Rights of Third Parties) Act	
K2.4	The role of financial services regulators in the authorisation, supervision and regulation of insurers and intermediaries	
K2.5	The consequences of non-compliance • Discipline • Enforcement	
K2.6	The requirements for reporting, record keeping, training and competence	
K2.7	The impact of the FCA's 'Insurance: Conduct of Business Sourcebook (ICOBS)' on the provision of insurance products and services	
K2.8	The key features of customer service in insurance contexts including • Accurate, effective, honest presentation of information using appropriate communication methods • Consideration of clients' and organisation needs before own • Ensuring transparency when providing insurance advice and transactions • Fair treatment of customers • Meeting customer service obligations • Colleague and stakeholders support • Work within agreed priorities • Avoiding conflicts of interest through full disclosure of information	

K2.9	The different distribution channels that are used for selling insurance including: • Direct and indirect marketing channels • Delegated authority schemes	
K2.10	The key routes to market for each of the different insurance needs • Insurance companies • Brokers • Aggregators • Comparison websites • Retailers	
K2.11	Explain the differences between retail customers and commercial clients as set out in: • Insurance Conduct of Business Sourcebook (ICOBS) 2.1.1: A consumer is any natural person who is acting for purposes which are outside his trade or profession. A commercial customer is a customer who is not a consumer • Insurance Conduct of Business Sourcebook (ICOBS) 2.1.2: If it is not clear in a particular case whether a customer is a consumer or a commercial customer, a firm must treat the customer as a consumer • Financial Conduct Authority (FCA) definition of commercial customer	**E1** **E2**

K2.12	Describe a customer's needs and provision of insurance including
	• Personal insurance needs:
	  ○ life including critical illness
	  ○ personal accident
	  ○ private medical
	  ○ motor customer
	  ○ household
	  ○ extended warranty
	  ○ travel
	  ○ pet
	• Commercial insurance needs
	  ○ business interruption
	  ○ liability cover
	  ○ professional indemnity
	  ○ directors & Officers
	  ○ commercial vehicle
	  ○ commercial property including property owner's
	  ○ cyber
	  ○ legal expenses
	  ○ cargo and goods in transit (marine)
		E6

K2.13	Know the types and relevant features of different categories of personal insurance products and services, as well as factors that can impact on the underwriting and rating of different categories and types of insurance
	• Household insurance:
	  o types of household insurance (buildings, contents)
	  o typical features of household insurance policies
	    – level and breadth of cover (standard, accidental damage)
	    – policy premium
	    – excesses (compulsory, voluntary)
	    – optional Extensions (personal possessions away from the home, freezer contents, caravan, small craft, sports equipment, money and credit cards, high worth items, cycles, gardens/outbuildings, AD to entertainment equipment, AD whilst in the course of removal, door lock replacement following theft of keys)
	    – conditions (duties of the insured, alteration, action by the insured in the event of a claim, fraud, reasonable precautions, contribution, subrogation, average, arbitration, cancellation)
	    – exceptions applied to household insurance policies (property more specifically insured elsewhere, general wear and tear, storm damage to gates, fences and plants, damage caused by insects, birds, or other pests, frost damage to outside pipes and brickwork, medals and coins, deeds, bonds, bills of exchange, cheques, securities, documents and manuscripts, motor vehicles, livestock (other than horses))
	• Factors that would impact on the underwriting of household insurance policies
	  o factors that would impact on the rating of household insurance policies
	• Extended warranty
	  o typical features of extended warranty products:
	    – level and breadth of cover
	    – premium/price
	    – exceptions that can be applied to extended warranty products
	    – conditions that can be applied to extended warranty products
	• Factors that would impact on the rating of extended warranty products
	• Pet insurance
	  o Features of pet insurance policies:
	    – level and breadth of cover (lifetime cover, maximum benefit cover, time limited cover, accident only cover)
	    – policy premium
	    – excesses (compulsory, voluntary)	

- exceptions that can be applied to pet insurance policies (each core section has its own exclusions; some general exclusions include pre-existing conditions; conditions observed within the waiting period; routine or preventative treatments; costs relating to the breeding of the pet)
- conditions that can be applied to pet insurance policies

  - factors that would impact on the underwriting of pet insurance policies
  - factors that would impact on the rating of pet insurance policies

- Travel insurance
  - features of travel insurance policies:
    - level and breadth of cover (duration, personal accident benefits, medical and associated expenses, cancellation or curtailment, baggage, personal effects and money, personal liability)
    - policy premium
    - excesses (compulsory, voluntary)
    - optional extensions that can be applied to travel insurance policies (failure of tour organiser, lack of services or amenities, loss of passport, legal expenses)
    - exceptions that are applied to travel insurance policies
  - death, bodily injury or sickness caused by unprescribed drugs, insanity, pregnancy or childbirth, while taking part in certain hazardous activities, or as a result of suicide or self-inflicted injury
  - damage to fragile objects
  - loss of luggage caused by confiscation
  - stamps, manuscripts, documents
  - camping equipment
  - cash unless reported to police within 24 hours
  - terrorism
  - conditions applied to travel insurance policies
  - factors that would impact on the underwriting of travel insurance policies
  - factors that would impact on the rating of travel insurance policies
- Life insurance :
  - types (term, whole of life)
  - features:
    - level and breadth of cover
    - policy premium
    - excesses (compulsory, voluntary)
    - optional extensions that can be included when taking out life insurance policies (critical illness, funeral plans, income protection)

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exceptions that can be applied to life insurance policies
conditions that can be applied to life insurance policies

factors that would impact on the underwriting of life insurance policies
factors that would impact on the rating of life insurance policies
Private motor insurance
features:
levels and breadth of cover (third party only, third party, fire and theft; comprehensive)
policy premium
excesses (compulsory, voluntary)
optional extensions that can be included when taking out motor insurance policies (gap cover, windscreen cover, key cover, legal expenses, incorrect fuel cover, extended personal accident cover, breakdown cover, provision of courtesy car)
exceptions that can be applied to private motor insurance policies
conditions that can be applied to private motor insurance policies
factors that would impact on the underwriting of private motor insurance policies
factors that would impact on the rating of private motor insurance policies

Private medical insurance

features:
level and breadth of cover (personal accident, sickness, medical expenses)
policy premium
excesses (compulsory, voluntary)
optional extensions that can be included when taking out private medical insurance policies
exceptions that can be applied to private medical insurance policies
conditions that can be applied to private medical insurance policies
factors that would impact on the underwriting of private medical insurance policies
factors that would impact on the rating of private medical insurance policies

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K2.14	Know about the types of service related to the provision of personal lines of insurance including: • Helplines • Authorised Repairers and Suppliers • Uninsured Loss Recovery Services	

K2.15	Know the types and relevant features of different categories of commercial insurance products and services, as well as factors that can impact on the underwriting and rating of different categories and types of insurance
	• Pecuniary Insurance
	  ○ types (business interruption, legal expenses)
	  ○ features:
	    – levels of cover
	    – optional extensions
	    – business interruption (specified suppliers, unspecified suppliers, specified customers, transit, prevention of access, public utilities, contract sites, notifiable disease/murder/suicide)
	    – legal expenses (defending libel and slander charges, involvement in public enquiries, investigations by professional bodies, taxation proceedings
	    – exceptions
	    – underwriting factors
	    – rating factors
	    – conditions/warranties
	    – excesses/deductibles/franchises
	• Property insurance:
	  ○ types (commercial buildings, business contents)
	  ○ features:
	    – sections of cover (fire & perils, all risks, theft, glass, money)
	    – optional extensions
	      ▪ fire & perils (refrigerated stock, business 'all risk', legal expenses
	      ▪ theft (breakdown of gall, replacement of locks, temporary removal, index linking
	      ▪ glass (damage to shopfront contents as a result of broken glazing, damage to washbasins and sanitary fittings in hairdressing salons
	      ▪ money (personal accident assault, credit cards
	    – exceptions
	    – underwriting factors
	    – rating factors
	    – conditions/warranties
	    – excesses/deductibles/franchise	

- Liability insurances
  - types (employer's liability, public liability, products liability, professional indemnity, directors and officers liability, cyber liability)
  - features:
    - levels of cover
    - optional extensions:
      - employer's liability (defence costs and expenses, additional persons insured, compensation for court attendance, unsatisfied court judgements)
      - public liability (tenants' liability, defective premises)
      - professional indemnity continuation of cover beyond the date of cancellation if the firm is being wound up; liability for breach of warranty or authority, liability for financial loss caused by loss of documents, collateral warranties, cover for any other person or firm acting jointly with the insured, fidelity guarantee
      - directors and officer's liability (extended time limit)
    - exceptions
    - underwriting factors
    - rating factors
    - conditions/warranties
    - excesses/deductibles/franchise
- Commercial vehicle insurance
  - types:
    - fleet
    - non-fleet
  - features:
    - levels of cover (third party; third party, fire and theft; comprehensive)
    - optional extensions (increased limits, breakage of glass, personal belongings, medical expenses, personal accident benefits, loss of use up to a given limit, foreign use, trailers attached to the vehicle, indemnity (principal, hirer indemnity), legal expenses breakdown cover, extended warranties)
    - exceptions
    - underwriting factors
    - rating
  - conditions:
    - excesses

	Cargo and goods transit insurance ○ types ○ features: – the business environment of shipping and world trade – levels of cover – optional extensions – exceptions – underwriting factors – rating factors – conditions/warranties – excesses/deductibles/franchises	
K2.16	The purpose of reinsurance and the features, risks and benefits associated with each type of reinsurance • Proportional: ○ quota share ○ surplus • Non-proportional: ○ risk excess of loss ○ stop loss	
K2.17	The role and responsibilities of those responsible for making underwriting decisions • To assess the severity and likelihood of risk/hazard and how this effects the potential exposure to risk • To make decisions to accept or decline the underwriting of risks based on severity and likelihood • To establish the terms of policies policy conditions in line with severity of risk and potential exposure • To make decisions about outsourcing insurance cover the organisation provides to reinsurers so as to share or offload risk	
K2.18	How to establish the need for underwriting of non-standard insurance needs • Establish the nature, severity and likelihood of risk relating to: ○ vehicle (aviation, marine, motor) ○ people (celebrities, public figures, professional sports players) ○ bespoke corporate or business needs	
K2.19	How to prepare a proposal for underwriting that • Establishes the nature, severity and likelihood of risk • The key information that will need to be provided to an underwriter for a decision to be made • The types of documentation that a client would need to provide to submit a proposal for underwriting	**E3**

K2.20	How to prepare insurance policy documents for insurance products and services to set out • Cover required • Key features, risks and benefits of insurance products and services to customers and clients • Options for renewal or extension of existing insurance products and services	**E1** **E2** **E3**
K2.21	How to assist customers in the delivery of the insurance claims process • Contents of a claims form • Establishing the reason(s) for a claim being made and material circumstances • The process through which claims are be made and managed • The need for a principled approach to claims including gaining full disclosure of all relevant facts • Role of loss adjusters in supporting the management of the claims process	**E1** **E2** **E6**

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

Students need to be able to:
• Provide advice to customers and clients about the types of insurance products and services that can best meet their needs. • Prepare information for an underwriting proposal for an insurance policy to meet non-standard insurance needs. • Explain advice to customers and clients so that they understand what is being purchased including the features of different products, potential risks and potential benefits of the products and services they are purchasing.

What skills do students need to demonstrate? • Explain potential risks and benefits of insurance products (E1, E2) • Prepare documents for insurance policies (E3) • Discuss Insurance products (E6)
S3.1 Apply the main features of insurance risk and risk management to a given set of circumstances in insurance services.
S3. Identify the insurance risk and evaluate the level of risk of the selected insurance products and services.
S3.3 Explain potential risks and benefits of insurance products and services to customers/clients.

What underpinning knowledge do students need?		English, maths and digital skills
K3.1	The concept of insurance risks and what is meant by the terms • Insurable risk • Individual's perception of risk • Individual's attitude to risk • Pooling of risk by insurers	
K3.2	The sources and impact of threat in a variety of environments/aspects including: • Changes of government • Crime • Terrorism • Political threats • Social threats • Technological threats • Demographical threats • Environmental threats • Economic threats • Legal threats	

K3.3	The different types of risk (both insurable and uninsurable) that exist and the potential implications that they can have for private individuals, commercial entities, and insurance organisations • Financial risks – measured in monetary terms • Non-financial risks – not measurable in monetary terms • Pure risks – result in a loss or breakeven situation • Speculative risks including investment resulting in a possibility of a gain or profit • Particular risks – losses arising from actions of groups or individuals • Fundamental risks – losses arising from nature • Personal risks affect individual's ability to earn an income or suffering adverse health effects • Property risks – damage or loss of property • Liability risks – intentional or unintentional injury to person or properties • Probability of loss calculable – beyond human control • Operational risks – business interruption including production, IT systems • Strategic risk • Ethical risks • Hazard risks • Reputational risk • Compliance regulatory risk • Investment risk • Trade secret risk • Pandemic risk	
K3.4	The characteristics of risk considered by an insurer • Law of large numbers • Nature of a risk – fortuitous • Feasible Level of risk – non catastrophic • Definitive/determinable • Measurable/calculable • Premiums – economically feasible	
K3.5	The principles of risk management in insurance and how these are implemented when working in insurance including • Establishing the context • Risk identification • Risk analysis • Risk assessment • Control of risk • Ramifications	

K3.6	Evaluate the level of risk of the selected insurance products and services • Identify the risk factors • The measures of risk control that are available	

K3.7	Potential risks and benefits for customers and clients of insurable products and services including:
	• Potential risks:
	  ○ risk of insurer insolvency
	  ○ risk of under insurance
	• Potential benefits:
	  ○ being indemnified by payment of a claim
	  ○ peace of mind
	  ○ freeing up capital for purchases and investment
		E1
		E2
		E6

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

Students need to be able to: • Research and analyse financial information. • Confirm the accuracy of data and information. • Draw conclusions and propose potential courses of actions. • Present their findings to internal customers/clients both verbally and in writing.

What skills do students need to demonstrate? **Present findings to customers using digital tools and presentation techniques (E1, E2, E3, E4, E6, D2)** **Synthesise data and identify trends and draw conclusions (E5, M6, M8)** **Select and use digital tools to analyse financial data (M1, M2, M4, M5, D3)**
S4.1 Collect and collate information and data related to the performance of insurance products and services from a range of sources including: • **Key Performance Indicators used by insurance organisations to measure performance** • **financial performance of an insurance organisation or scheme.**
S4.2 Select and use appropriate tools to perform analysis of financial information and data: • **Ratio analysis** • **Situational analysis.**
S4.3 Examine large volumes of data and establish trends/find patterns in: • **Key Performance Indicator data.** • **Financial performance data.**
S4.4 Test data to check for errors or invalid results in given financial insurance ratios by applying the formula for.
S4.5a Sense check customer/client information and options in order to review changes and be able to arrive at insightful conclusions about products that meet customers' needs.
S4.5b Review changes and trends in insurance information and data and be able to arrive at insightful conclusions.
S4.6 Draw conclusions from the analysis and interrogation of data and other information related to the financial performance of insurance organisations to be able to propose courses of action to address findings.
S4.7 Present findings to internal and external customers both verbally and in writing using a variety of visualisation and presentation techniques.

What underpinning knowledge do students need?		English, maths and digital skills
K4.1	What is meant by the terms 'liability driven investment' and 'Asset-liability management'	
K4.2	How and why insurance companies use liability driven investments (LDI) and the risks of doing so including: • Risks addressed by liability driven investments: ○ underwriting risk ○ liquidity risk ○ market risk • Techniques: ○ stress testing ○ liquidity ratio ○ benefits • Opportunities to improve how investments are managed • Opportunities to improve product planning and pricing strategies	
K4.3	The concept of the insurance life cycle and how it influences strategic decisions made by insurance organisations • Product conception: ○ feasibility ○ design • Managing growth: ○ identifying target market ○ collection of data to ascertain potential demand ○ marketing • Maturity: ○ competition ○ update or retire product ○ decline ○ loss of market share ○ development of new products	
K4.4	The dynamic and challenge between customer acquisition and retention by • Identifying sources of challenge in relation to handling customers • Recognising optimal methods to ensure customer retention • Identifying opportunities for new insurance business	
K4.5	Why and how insurance organisations need to set reserves	

K4.6	The implications of insurance companies • Setting reserves that are too high • Not setting sufficient reserves	
K4.7	The different types of risk (both insurable and uninsurable) that exist and the potential implications that they can have for insurance organisations • Financial risks – measured in monetary terms • Non-financial risks – not measurable in monetary terms • Pure risks – result in a loss or breakeven situation • Speculative risks including investment resulting in a possibility of a gain or profit • Particular risks – losses arising from actions of groups or individuals • Fundamental risks – losses arising from nature • Personal risks effects individual's ability to earn an income or suffering adverse health effects • Property risks – damage or loss of property • Liability risks – intentional or unintentional injury to person or properties • Probability of loss calculable – beyond human control • Operational risks – business interruption including production, IT systems • Strategic risk • Ethical risks • Hazard risks • Reputational risk • Compliance regulatory risk • Trade secret risk • Pandemic risk	
K4.8	The characteristics of risk considered by an insurer • Law of large numbers • Nature of a risk – fortuitous • Feasible level of risk – non catastrophic • Definitive/determinable • Measurable/calculable • Premiums – economically feasible	

K4.9	The principles of risk management in insurance and how these are implemented when working in insurance including • Establishing the context • Risk identification • Risk analysis • Risk assessment • Control of risk • Ramifications	

K4.10	The different sources of information and data related to key customer performance indicators
	• Customer retention analysis:
	  ○ renewal retention rates by product line
	  ○ lapse rate
	  ○ reasons for lapse
	• Client satisfaction feedback
	• Sales statistics:
	  ○ lead to quote
	  ○ sales conversion rates
	  ○ cross sales
	  ○ numbers of new policies
	  ○ revenue per client
	• Claims statistics:
	  ○ average time to settle claims
	  ○ average cost per claim	

K4.11	The different sources information and data related to the financial performance
	• Income statements:
	  ○ revenue
	  ○ cost of sales and other direct costs
	  ○ gross profit
	  ○ operating expenses
	  ○ operating profit
	  ○ net profit
	  ○ taxation
	  ○ profit
	• Statement of financial position:
	  ○ non-current assets
	  ○ current assets
	  ○ current liabilities
	  ○ non-current liabilities
	  ○ net assets	

	- shareholder equity - total shareholders' equity - Cashflow statement: - opening balance - cash flow from operating activities - cash flow from investing activities - cash flow from financing activities - closing balance - Insurance financial performance ratios including how to interpret ratios in the context of analysing the performance of an insurance company or scheme - Gross Profit Margin (GPM) - Net Profit Margin (NPM) - Return on Capital Employed (ROCE) - Current ratio - Accounts receivable turnover ratio - Accounts payable turnover ratio - Gearing ratio - Solvency ratio - Combined ratio - Claims loss ratio - Expense ratio - Commission ratio in a financial year	
K4.12	How to apply the formula to check the accuracy of given ratios for - Gross Profit Margin (GPM) = Gross profit/Net Sales - Net Profit Margin (NPM) = Net income/Revenue - Current ratio = Current assets/Current liabilities - Gearing ratio = Long-term liabilities/Capital Employed - Solvency ratio = Net Assets/Earned Premium - Combined ratio = Total Net Losses/Total Earned Premium - Claims loss ratio = Net Losses Due to Claims/Total Premium Earned - Expense ratio = Total Expenses/Net Premium Earned - Commission ratio = total value of claims paid/total premium collected in a financial year ** Where a formula is provided in this content students are expected to be able to recall, select and apply the formula as relevant to the context of the task. Students will not be given the formula in the assessment.*	**M2** **M4**

K4.13	The benefits and limitations of using ratio analysis to analyse financial performance	
K4.14	The different situational analysis tools and how they are applied by insurers to better understand risks and opportunities that they are exposed to ● SWOT ● STEEPLE ● Porter's 5 forces	
K4.15	How to examine and interpret financial information and data versus both industry and organisational benchmark targets data	**M4** **M5** **M6**
K4.16	Learners need to know how recommendations drawn from the analysis of financial information and data can be impacted by ● Economic forces ● Market forces ● Customer requirements	
K4.17	The different courses of action that insurance organisations can take to address issues related to financial performance identified from the analysis of financial information and data including the need to ● Review pricing strategies for new business renewals vs competitor pricing ● Review product offer to ensure it matches market developments and needs ● Analyse customer service performance vs expected service standards ● Review sales performance and profile of new business achieved ● Monitor claims processes and procedures to better understand claims performance trends	**E5** **M5** **M6**
K4.18	How to: ● Structure a professional formal business report: ○ executive summary ○ introduction ○ discussion of data and information ○ conclusions ○ recommendations ○ references and bibliography ○ appendices ● Convey information in writing effectively including: ○ ensuring the purpose is clear and displays an awareness of the audience ○ being concise to ensure clarity of message and that reports are easy to read	**E1** **E2** **E3** **E4** **E5** **M6** **M8** **D2** **D3**

	- avoiding the use of jargon - accurate spelling, punctuation, and grammar to ensure that intended meaning is conveyed • Inclusion of verifiable facts, data, statistics and evidence rather than opinion wherever possible • Use of word processing tools and their functions to help the reader to navigate the report: - headings and sub-headings - fonts and font effects/styles - paragraph tools - spelling, punctuation and grammar checkers and appreciate their limitation • Proofread own writing for clarity, errors and omissions	
K4.19	How to design and give a presentation that: • Summarises the findings of an analysis of financial information and data in ways appropriate for the intended audience • Is coherent and logically sequenced • Uses appropriate presentational and visualisation techniques to convey information and data in ways that are suitable for technical and non-technical audiences • Use of the voice (tone, volume, tempo) • Representation of information and data in graphical and tabular forms • Use of white space, transitions, speaker notes to manipulate and control the flow of information to the audience	**E1** **E2** **E3** **E4** **E5** **E6** **M6** **M8** **D2** **D3**
K4.20	How to convey information to customers/clients including • Giving explanations to others, both orally and in writing, in a clear and unambiguous way • Using technical language correctly using graphics and other tools to aid understanding • Organising ideas logically and coherently • Using appropriate grammar and choice of vocabulary and correct spelling and punctuation	**E1** **E2** **E3** **E4** **E5** **E6** **M6** **M8** **D2** **D3**
K4.21	How to present information and ideas • Present information /ideas orally using non-digital and digital tools and other aids • Speak clearly and confidently using appropriate tone and register that reflects audience and purpose • Organise ideas and information logically	**E1** **E2** **E4** **E5** **E6** **M8** **D2** **D3**

K4.22	How to summarise technical and non-technical information/ideas • Select main ideas/key information from written text/oral discussions • Summarise concisely (orally or in writing) in style appropriate to audience and purpose	**E1** **E2** **E3** **E4** **E5** **E6** **M8** **D2** **D3**
K4.23	How to take part in and lead discussions • Make relevant and constructive contributions to move discussion forward • Express opinions and support these with relevant and persuasive arguments • Adapt contribution to discussion to suit audience and purpose • Sum up key points of discussion	**E6**

Scheme of Assessment – Insurance Practitioner

There is a single synoptic assessment for this Occupational Specialism, which is an extended project. The synoptic element of the project is important to ensure students can demonstrate threshold competence and are able to evidence all the skills required by the Performance Outcomes.

The project consists of several activities grouped into five substantive tasks.

Each task will be completed during a window set by Pearson, during which Providers will schedule supervised assessment sessions. In some cases, tasks will also involve opportunities for unsupervised activities, where the requirements of the skills being assessed make this necessary.

Occupational Specialism Project – Insurance Practitioner
Externally assessed project: 14 hours and 25 minutes **221 marks**
Performance Outcomes In this unit, students will: **PO1:** Operate ethically and professionally in all interactions with customers/clients **PO2:** Carry out with guidance the delivery of insurance services to customers/clients **PO3:** Apply principles of risk management when making recommendations with regard to insurance products and services to customers/clients **PO4:** Research and analyse financial information and data and present reports to internal and external customers/clients
Assessment overview There are five parts to the assessment: • Task 1 – Exploring retail insurance options • Task 2 – Exploring commercial insurance options • Task 3 – Communicating retail and commercial insurance advice • Task 4 – Ethical and professional behaviour in retail and commercial insurance • Task 5 – Analysing financial data. Students will respond to a given scenario to complete a substantial project. Students will be assessed on their application of the skills listed for the Performance Outcomes. Students will not be assessed against specific ‘knowledge’ outcomes but will be expected to draw on and apply related knowledge to ensure appropriate outcomes when applying the skills in response to an assessment scenario. • Students will undertake the project under a combination of supervised and controlled conditions. • The assessment will take place over multiple sessions, up to a combined duration of 14 hours and 25 minutes. • The project outcomes will consist of a portfolio of evidence submitted electronically. • This project will be set and marked by Pearson.

Resources for the delivery of Insurance Practitioner

For this Occupational Specialism no specialist equipment is required.

Providers would benefit from a good IT suite with access to Office Software and the internet and for students to have regular access to this.

Teachers should have qualifications and/or experience in the business and financial sector and have some awareness of insurance services and practise.

Teaching will need to be shared across a curriculum team which together will have the experience and knowledge that spans the breadth of the qualification content and has some experience of teaching to external assessments.

4.4 Financial Compliance/Risk Analyst

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

What skills do students need to demonstrate?
• **Summarise ethics and regulation using digital tools (E4, E5, D1)**
S1.1 Demonstrate understanding of the concept of ethics and how they apply to the roles in compliance and risk.

What underpinning knowledge do students need?		English, maths, and digital skills
K1	**Ethics and roles in compliance and risk**	
K1.1.1	The meaning of compliance risk	**E4** **E5** **D1**
K1.1.2	The purposes of risk management, regulation, ethics, professional standards across financial services including banking, insurance, wealth management and financial/risk analysis and compliance	
K1.1.3	The Ethics and Regulation Summary specific to roles in risk and compliance • Establishing key compliance actions and standards • Professional standards • Code of conduct • Appropriate interactions with internal and external clients to meet best practice • Risk identification • Types and categorisation • Policy and framework • Mitigation controls • Avoidance of risk linked to external regulations • Ethics policies and procedures	

What skills do students need to demonstrate? • Use digital tools to summarise ethical dilemmas and conflicts of interests (E4, E5, D1)
S1.2 Identify ethical dilemmas or conflicts of interest across different areas of a financial firm.
S1. Analyse scenarios or case studies and propose ethical behaviours/ basic solutions/courses of action.
S1.4 Demonstrate a basic understanding of processes and regulation relating to external customers/ clients.
S1.5 Demonstrate a basic understanding of processes and regulation relating to external customers/clients.
S1.5.2 Identify and summarise key procedures, key regulations, and consideration in the customer onboarding process.

What underpinning knowledge do students need?		English, maths, and digital skills
K.1.2	**Ethical dilemmas**	
K1.2.1	The concept of conflicts of interest with reference to financial, reputational, and legal examples relating to different areas of the business including • Customer information • Transacting business • Contracting • Handling suppliers • Business associates	**E4** **E5** **D1**
K1.2.2	Different ethical dilemmas across different areas of a financial firm and ways to address these dilemmas effectively within financial compliance/risk analyst roles including • Professional conduct • Consistently act in a fair and ethical manner • Take responsibility for own actions • Follow organisational policies and procedures effectively and consistently • Audit monitoring • Treating customers fairly • The concept of ethics being applied to interactions with internal and external customers/clients	
K1.2.3	Consequences of not following ethical best practice, rules, or standards including • Mis-selling of Payment Protection Insurance (PPI) • Through fraudulent activities • As a result of ignorance of standards and legal protocols	

K1.2.4	When and to whom ethical conflicts and dilemmas should be escalated through: • Internal policies and procedures • Financial regulation • Legal protocol	

What skills do students need to demonstrate? • **Use digital tools to summarise processes (E4, E5, D1)**
S1.5 Demonstrate a basic understanding of processes and regulation relating to external customers/clients.
S1.5.1 Complete basic case studies/scenario analysis on customer categorisation, process, and regulatory considerations.
S1.5.2 Identify and summarise key procedures, key regulations, and consideration in the customer onboarding process.
S1.6 Demonstrate understanding of processes and regulation relating to external customers/clients through full understanding of anti-money laundering (AML) concept and ability to identify possible regulatory risks from case studies.

What underpinning knowledge do students need?		**English, maths, and digital skills**
K1.3	**Processes and regulation**	

K1.3.1	Customer categorisation
	• Market counterparty
	• Professional
	• Retail
	• Protections
	Financial Conduct Authority (FCA) conduct of business rules including
	• Fair treatment of customers
	• Provision of advice and services
	• Handling client money
	• Client communication rules
	Relevant conduct rules or guidelines such as the UK Code of Corporate Governance
	Process, client confidentiality and regulatory considerations
	• Know Your Customer (KYC) process
	• Customer complaints
	• Key procedures and regulations:
	  ○ customer on-boarding process
	  ○ technology including databases and internet services
		E4
		E5
		D1

	• Regulatory risks with reference to external customers and interactions with them	
K1.3.2	The concept of anti-money laundering (AML) and identify possible regulatory risks from case studies • Ways to detect concealment of origins of money obtained illegally • Analysing complex series of banking transfers and commercial transactions • Exposing obscure and indirect activity of schemes	

What skills do students need to demonstrate? • Use digital tools safely to explain regulation and codes of conduct (E5, D1, D5)
S1.7 Demonstrate a basic understanding of regulation and codes of conduct.
S1.7.1 Demonstrate a basic understanding of regulation and best practice relating to conduct risk and culture.
S1.7.2 Demonstrate a basic understanding of poor conduct and behaviours and suggest ways organisations/regulators can mitigate.

What underpinning knowledge do students need?		English, maths, and digital skills
K1.4	**Conduct risk and culture**	
K1.4.1	Conduct risk and culture including • The concept of conduct risk and its link to operational risk • Individual accountability and responsibility • Best practice relating to organisational culture and risk • Conduct risk and organisational culture • Accepted standards and methods of auditing performance • Lessons from the financial crisis (current and past)	**E5** **D1** **D5**
K1.4.2	Best practice in relation to mitigation of conduct risk • Elimination of the risk factor • Actions taken to diminish the impact of a risk • Techniques to reduce the likelihood of the risk occurring	
K1.4.3	Poor conduct and behaviours and ways that organisations and regulators can mitigate against these behaviours in terms of: • Adherence to policies and procedures • Use of effective frameworks • Adherence to professional standards • Legal compliance	

What skills do students need to demonstrate? • Use digital tools to summarise market abuse and integrity (E4, E5, D1)
S1.8 Demonstrate a basic understanding of market conduct and regulation and how to prevent abuse of these systems.
S1.8.1 Demonstrate a basic understanding of market abuse or insider dealing from expected market conduct.
S1.8.2 Demonstrate a basic understanding of the controls and processes used to prevent market abuse or insider dealing.
S1.8.3 Demonstrate a basic understanding of the relevant regulation and importance of market integrity.

What underpinning knowledge do students need?		English, maths, and digital skills
K1.5	**Market abuse and market integrity**	
K1.5.1	The importance of market integrity and fair and efficient markets • Protecting investors • Improving the efficiency of market trading • Protecting the market from systematic risk • Market abuse and controls and processes used to prevent market abuse • The concept of price-sensitive non-public information • Insider dealing and controls and processes used to prevent insider dealing • Compliance surveillance and monitoring aspects • Real world examples, based on press reports, of market abuse, insider dealings that have led to fines and prosecutions	**E4** **E5** **D1**

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

What skills do students need to demonstrate?
• Use digital tools to explain risks in products and services of financial markets (E1, D1, D2) • Present the risks of global financial markets (E2, D5)
S2.1 Explain in writing, verbally or by presentation the risk implications of different products and services to internal and external customers/clients.
S2.1.2 Communicate risk concepts verbally to a non-technical audience.

What underpinning knowledge do students need?		English, maths, and digital skills
K2.1	**Global financial markets**	

K2.1.1	How to explain in writing, verbally or by presentation the products and services of financial markets, their risk implications and benefits for customers and the UK to a non-technical audience including:
	• Bank accounts
	• Equities:
	  ○ credit
	  ○ services
	  ○ funds
	  ○ mortgages
	  ○ interest rates
	  ○ settlement of final payments
	• Trading (investments)
	• Loans
	• Buying and selling
	• Execution agreement to settle
	• Clearing guarantee by both parties to meet commitments
	• Over the counter markets
	• Derivatives
	• Securities and indexes: bonds, commodities, currencies, market indexes, shares
	• Insurance:
	  ○ types of insurable and non-insurable products
	  ○ annuities
	  ○ benefits
	• Pension planning advice
		E1
		E2
		D1
		D2
		D5

K2.1.2	The main risks faced by key players of global financial markets sector including: • Banks: o commercial o retail o investment • Insurance companies and brokers: o corporate o personal lines specialist • Asset and wealth management: o traditional funds o hedge funds o private equity o pensions o financial technology o challenger firms o payment systems o blockchain and cryptocurrency o crowdfunding	
K2.1.3	The key types of financial markets • Equity markets: o stock market – stock exchange o bond market – primary and secondary credit market • Futures markets: o forward investment • Insurance markets: o aggregation o underwriting	

What skills do students need to demonstrate? • Use digital tools to explain risk implications (E1, D1, D2)
S2.2 Explain in writing, verbally or by presentation the risk implications of different types of customers/clients/trading venues to internal management.

What underpinning knowledge do students need?		English, maths, and digital skills
K2.2	**Risk implications of customers, clients, trading venues**	
K2.2.1	How to explain in writing, verbally or by presentation the risk implications of different types of customers, clients, trading venues and to internal management • Retail • Commercial • Financing • Trading • Investing • Selling • Insurance needs • Settling • Clearing	**E1** **D1** **D2**

What skills do students need to demonstrate? • Understand and summarise risks and how they should be controlled using digital tools (E4, E5, D1, D2)
S2.3 Demonstrate understanding of risks and how they should be controlled.
S2.3.1 How different types of firms and sectors are exposed to different risks.
S2.3.2 Types of client, markets and sectors that give rise to high/medium/low levels of risk.
S2.7 Explain in writing, verbally or by presentation the role of best practice and regulation in managing risk.

What underpinning knowledge do students need?		English, maths, and digital skills
K2.3	**Financial firms, clients and markets**	

K2.3.1	The concept of risk management using the financial history of businesses
	• Identification of risk
	• Management and analysis of risk
	• Controls to avoid future risks
	• What can go wrong:
	  ○ market crashes
	  ○ financial crises
	  ○ cashflow dilemmas
		E4
		E5
		D1
		D2

	○ bubbles ○ economic uncertainties ○ poor internal management	
K2.3.2	Categorisation of firms and sectors and their business models • Banks • Insurance companies • Brokers • Asset and wealth management • Value models • Digital models • Customer and activity models Risk exposure of different types of firm • Financial • Reputational • Political Application of risk to different products, markets and sectors • Operational risk • Market risk • Credit/counterpart risk • Liquidity risk • Legal risk • Regulatory risk • Model risk • Enterprise risk • Investment risk • Regulatory risk • Cyber risk • Levels of risk: ○ high ○ medium ○ low	
K2.3.3	Types of risk and their implications for each of the following: • Banks • Pensions • Brokers • Insurance companies • Financial technology (FinTech) • Challenger firms • Payment systems • Blockchain and crypto currency • Crowdfunding	

K2.3.4	How political and reputational risks impact on financial businesses including: • Taxes • Currency valuation • Trade tariffs • Labour laws and minimum wage • Environmental regulations • Security issues • Safety issues • Quality issues • Sustainability	
K2.3.5	What is meant by risk culture in financial businesses including: • Risk appetite • Rewards • Behaviours and attitudes • Communication	

What skills do students need to demonstrate? • **Identify risks from data and present metrics using digital tools (E3, E5, M6, D1, D2)**
S2.3.2 Types of client, markets and sectors that give rise to high/medium/low levels of risk.
S2.3.3 Demonstrate understanding of how to mitigate and control such risk.
S2.4 Perform summary analysis of key information.
S2.5 Interpret a basic risk report/market analysis report/investment report (or similar).
S2.6 Identify political and reputational risks.
S2.9 A basic understanding of how risk functions are structured, different types or roles and their interaction.
S2.11 Demonstrate an understanding of the concept of valuation uncertainty and P&L.

What underpinning knowledge do students need?		**English, maths, and digital skills**
K2.4	**Controlling and mitigating risks**	
K2.4.1	The difference between • Controlling risk – using methods to identify risks as they emerge to prevent them from happening or take early action to lessen any impact • Mitigating risk–using methods to prevent or take action to lessen potential impact of risks should they arise	**E3** **E5** **M6** **D1** **D2**

K2.4.2	The role of best practice and regulation in managing risk in financial businesses for each of the following • High level of risk • Medium level of risk • Low level of risk • Political risk • Reputational risk	

K2.4.3	How to mitigate and control risks
	• Limits frameworks – quantifying risk:
	  ○ hierarchical (Risk appetite framework)
	• Key Risk Indicators (KRIs):
	  ○ green
	  ○ amber/yellow
	  ○ red
	• Hedging
	• Diversification and the portfolio effect	

K2.4.4	How to use risk metrics to explain risks and interpret a risk report to
	• Explain the nature of risks including risk exposure
	• Analyse products
	• Analyse clients
	• Interpret a basic market analysis and investment report to expose risk
	• Show Value at Risk (VaR)
	• Conduct Stress tests to gauge investment risk including:
	  ○ sensitivity analysis
	  ○ stress testing of risk factures
	  ○ scenario analysis
	• Use standard deviation as an indicator of market volatility
	• Use Key Risk Indicators (KRIs) to facilitate risk reporting
	• Determine the Credit spread
	  ○ default risk
	  ○ loss severity
	  ○ recovery rate
	• Credit ratings of clients
	• Interest rates
	• Equity index values or returns	

What skills do students need to demonstrate?
• Summarise the risk of financial accounting information from documentation (E5, M5, M6) **• Use digital tools to present risks (D1, D2)**
S2.8 Analyse basic risk and financial/accounting information.
S2.9 A basic understanding of how risk functions are structured, different types or roles and their interaction.
S2.10 A basic understanding of the purpose and basic structure of governance and policies.

What underpinning knowledge do students need?		English, maths, and digital skills
K2.5	**Accounting and finance concepts**	
K2.5.1	Key features of financial and accounting information in terms of risk • Income Statements and daily profit and loss accounts • Statements of Financial Position • Cash Flow Statements • Market and economic data • Risk matrices • Directors' Responsibility Statements • Statements of Corporate Governance • Statements of Changes in Equity	**E5** **M5** **M6** **D1** **D2**
K2.5.2	Valuation of assets/derivatives, including • Market valuations are estimates of the most probable price that would be paid in a transaction on the valuation date • Price – valuation of an asset estimated as the expected future price discounted at the risk-free rate, plus a risk premium, plus the present value of any benefits, minus the present value of any costs associated with holding the asset (for example, storing gold in a guarded holding facility)	
K2.5.3	Each type of valuation uncertainty including • Market uncertainty • Model uncertainty • Input uncertainty	

K2.5.4	The role of reserves for risk management planning, including
	• Contingency reserves:
	    o percentage of project cost
	    o expected monetary value
	    o decision tree analysis
	    o monte Carlo simulation	

	• Management reserves: ○ cost estimate ○ cost baseline ○ project budget	

What skills do students need to demonstrate? • **Use digital tools to present best practice in managing risk (E1, E2, D1, D2)**
S2.7 Explain in writing, verbally or by presentation the role of best practice and regulation in managing risk.
S2.9 A basic understanding of how risk functions are structured, different types or roles and their interaction.
S2.10 A basic understanding of the purpose and basic structure of governance and policies.

What underpinning knowledge do students need?		**English, maths, and digital skills**
K2.6	**Regulation and roles**	
K2.6.1	The roles of regulators and frameworks that apply to risk management • Prudential regulation: ○ Bank of England – Prudential Regulation Authority (PRA) ○ specifies requirements via the Basel Accord, UK law, and own rulebook • Financial Conduct Authority • Concept of regulatory capital and disclosure: ○ regulatory capital requirements minimum requirements imposed on financial services institutions by the regulatory supervisory authorities ○ financial institutions must hold sufficient liquid assets to cover net liquidity outflows under gravely stressed conditions over a period of 30 days. This is typically equal to 25% of outflows • UK Code of Corporate Governance • Role of Basel and Bank for International Settlements (BIS): ○ 3 Pillar requirements including minimum capital, capital adequacy and market discipline ○ published annual reports and financial statements ○ risk weighted assets calculations across different risk types	**E1** **E2** **D1** **D2**

K2.6.2	Risk functions and roles: • Structure of risk functions • Purpose and function of committees and working groups – Risk Committee, Audit Committee, Asset-Liability Committee (ALCO) • Risk reporting with Key Risk Indicators (KRIs) • Structure of policies and procedures • Use of analytics, technology, and Big Data in risk management • Interaction of functions and roles	
K2.6.3	Key roles of: • Corporates and businesses • Individuals • UK in the international context • Regulators, Basel, and central banks • Exchanges, central counterparty clearing (CCPs) and institutions • Over-the- counter marketeers • Lessons from financial history and what can go wrong, e.g. market crashes, financial crashes, bubbles	

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

Students need to be able to:
• Identify non-compliance issues. • Provide a review of the implications for a business of the compliance issues. • Provide recommendations on how these non-compliance issues should be addressed. • Justify your recommendations.

What skills do students need to demonstrate? • Summarise regulation in financial services using digital tools (E1, E4, E5, D1, D2, D5)
S3.1 Understanding of regulation and compliance, how to apply this to the financial sector and implications and consequences of not doing so.
S3.1.1 Understanding the concept of regulation and compliance and application to the financial sector.
S3.1.2 Understand regulatory implications of different products and services.
S3.1.3 Understand regulatory implications of dealing with different sectors and different external clients/customers.
S3.1.4 Understand the consequences of not following the rules for individuals and firms.
S3.2 Understanding of regulatory rules and frameworks and implications and consequences of not following them.
S3.2.1 Understand the purpose of key regulatory rules.
S3.2.2 Understand regulatory frameworks.
S3.2.3 Understand the purpose of regulation for exchanges and multilateral trading facilities.
S3.2.5 Understand the concept of regulatory change.

What underpinning knowledge do students need?		English, maths, and digital skills
K3.1	**The role and models of regulations in financial services**	
K3.1.1	The objectives and importance of roles and models of regulation for compliance, including • Financial Conduct Authority • Financial Reporting Council • Institute of Business Ethics	**E1** **E4** **E5** **D1** **D2** **D5**
K3.1.2	How UK legislation in accounting/reporting to reduce risk and the consequences of not adhering to legislation in relation to • UK Bribery Act • Money laundering	

	• Terrorist funding • Companies Act • General Data Protection Regulation • Dodd-Frank Act • LIBOR • HMRC	

K3.1.3	Know how UK legislation and regulations in the financial sector deal with external clients/customers, considering:
	• Financial Services and Markets Act:
	  ○ due diligence
	  ○ GDPR and the implications of confidentiality
	  ○ obtaining professional clearance
	  ○ holding client monies	

K3.1.4	Regulatory implications of dealing with different sectors and different external clients/customers • Financing • Trading • Investing • Selling • Insurance needs • Settling • Clearing The consequences of not following the rules for individuals and firms • Fines and penalties • Suspension of business • Loss/damage to reputation	
K3.1.5	How UK legislation and regulations in the financial sector deal with external clients/customers, considering • Financial Services and Markets Act • Due diligence • GDPR and the implications of confidentiality • Obtaining professional clearance • Holding client monies	
K3.1.6	Functions of the UK financial regulatory framework and how this takes into account trading with overseas companies and the impact on their internal accounting controls and mechanisms • Ethics in accounting • Rules-based approach • Principles-based approach	

K3.1.7	How regulators such as the FCA and Bank of England regulate financial services in the UK linking to the different types of risk faced • Operational • Reputational • Process • People • Legal • Event • Systems	

What skills do students need to demonstrate? • **Summarise regulatory frameworks in financial services using digital tools (E1, E4, E5, D1, D2, D5)**
S3.2 Understanding of regulatory rules and frameworks and implications and consequences of not following them.
S3.2.3 Understand the purpose of regulation for exchanges and multilateral trading facilities.
S3.2.4 Understand the consequences and regulatory implication of different situations and behaviours or failed process.

What underpinning knowledge do students need?		**English, maths, and digital skills**
K3.2	**The UK regulatory framework in relation to the rest of the world**	
K3.2.1	How to compare the UK regulatory framework for risk with Europe, United States, and the rest of the world • Regulatory equivalence • Third Country	**E1** **E4** **E5** **D1** **D2** **D5**

What skills do students need to demonstrate? • Summarise compliance in financial services using digital tools (E4, E5, D1, D2, D5)
S3.1 Understanding of regulation and compliance, how to apply this to the financial sector and implications and consequences of not doing so.
S3.1.1 Understanding the concept of regulation and compliance and application to the financial sector.
S3.1.2 Understand regulatory implications of different products and services.
S3.1.4 Understand the consequences of not following the rules for individuals and firms.
S3.2 Understanding of regulatory rules and frameworks and implications and consequences of not following them.
S3.2.1 Understand the purpose of key regulatory rules.
S3.2.4 Understand the consequences and regulatory implication of different situations and behaviours or failed process.
S3.2.5 Understand the concept of regulatory change.
S3.3 Complete a summary analysis and propose solutions.

What underpinning knowledge do students need?		English, maths, and digital skills
K3.3	**Compliance function**	
K3.3.1	How using key financial regulators identify how compliance is ensured • Role of watchdog organisations • Role of the FCA • Auditing • Purpose of key regulations including Financial Conduct Authority (FCA) Handbook • The Markets in Financial Instruments Directive (MiFID2)	**E4** **E5** **D1** **D2** **D5**
K3.3.2	The roles within business who have responsibility for ensuring compliance • Internal audit team • Policies and procedures • Human Resources • Compliance officer	

K3.3.3	How to make recommendations for maintaining compliance including proposing solutions to take into account best practice in a financial services firm • Identify the key roles and structures • Identify the responsibilities of ensuring compliance in business operations • Identify legislation to regulate relationships • Identify the changes to maintain compliance, this can be key actions to undertake as part of the audit process	
K3.3.4	How to produce summary and impact analysis on client/own firm within the context of a regulatory rule	

What skills do students need to demonstrate? • Summarise current compliance regulatory themes in financial services using digital tools (E1, E4, E5, D1, D2, D5)
S3.1 Understanding of regulation and compliance, how to apply this to the financial sector and implications and consequences of not doing so.
S3.1.1 Understanding the concept of regulation and compliance and application to the financial sector.
S3.1.2 Understand regulatory implications of different products and services.
S3.1.3 Understand regulatory implications of dealing with different sectors and different external clients/customers.
S3.1.4 Understand the consequences of not following the rules for individuals and firms.

What underpinning knowledge do students need?		English, maths, and digital skills
K3.4	**Key current compliance regulatory themes**	
K3.4.1	How current data protection legislation ensures compliance including • GDPR • Cybersecurity • Prudential Regulation Authority • Financial Conduct Authority (FCA) • Sarbanes Oxley Act • UK Bribery Act	**E1** **E4** **E5** **D1** **D2** **D5**
K3.4.2	The impact of BREXIT on regulation including • Changes to key regulatory rules • Effect on exchange • Challenges facing multilateral trading facilities	
K3.4.3	The importance of prudential regulation, including • The importance of why capital coverage is required • Identifying the liquidity requirements set to minimise exposure to risk • Showing how risk is controlled including, statutory powers and enforcement	
K3.4.4	The importance of the senior managers' certification regime including • Responsibilities for undertaking the necessary checks • Statement of responsibility • Duty of responsibility • Employee due diligence • Regulatory requirements adhered to by organisation • Prescribed responsibilities held by senior managers	

What skills do students need to demonstrate? • Summarise compliance and regulatory functions in financial services using digital tools (E1, E4, E5, D1, D2, D5)
S3.1 Understanding of regulation and compliance, how to apply this to the financial sector and implications and consequences of not doing so.
S3.1.1 Understanding the concept of regulation and compliance and application to the financial sector.
S3.1.2 Understand regulatory implications of different products and services.
S3.1.3 Understand regulatory implications of dealing with different sectors and different external clients/customers.
S3.1.4 Understand the consequences of not following the rules for individuals and firms.
S3.2 Understanding of regulatory rules and frameworks and implications and consequences of not following them.
S3.2.3 Understand the purpose of regulation for exchanges and multilateral trading facilities.
S3.2.4 Understand the consequences and regulatory implication of different situations and behaviours or failed process.
S3.2.5 Understand the concept of regulatory change.

What underpinning knowledge do students need?		English, maths, and digital skills
K3.5	**Compliance and the regulatory functions**	
K3.5.1	The importance of compliance and regulatory functions including • Regulated market structures, exchanges • Trading facilities	**E1** **E4** **E5** **D2** **D5**
K3.5.2	International compliance best practice	
K3.5.3	Compliance structure and roles within a financial services business	
K3.5.4	Key processes and tasks involved in managing the relationships with the regulatory bodies	
K3.5.5	Regulatory requirements for the following • Data Protection and IT security • Prudential Regulation • Senior Managers Certification Scheme	

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

What skills do students need to demonstrate? • Synthesise financial data to identify risk (E5, M5) • Use digital tools to highlight risks (E4, M7, D1, D2, D4, D5)
S4.1 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.
S4.1.1 Identify potential risk or regulatory issues to investigate using qualitative and quantitative data.
S4.1.2 Identify key regulatory and risk issues from a variety of sources of information.
S4.1.3 Identify any breaches of regulatory rules or risk best practice.
S4.1.4 Demonstrate understanding and apply basic statistical concepts using appropriate tools to perform and investigation or analysis of quantitative and qualitative data.
S4.1.5 Communicate technical information to non-technical audience.
S4.1.6 Examine large volume of data and establish trends/find patterns.
S4.1.9 Apply regulatory rules or concepts to a scenario or process.
S4.1.10 Apply risk best practice to a basic scenario or process.
S4.1.16 The role of data and technology in risk management.

What underpinning knowledge do students need?		**English, maths, and digital skills**
K4.1	**An understanding of the interpretation of financial data**	
K4.1.1	How to interpret financial data to identify risk, and understand the impact of how the media and economy can augment the potential of risk • Benchmarking • Company financial statements • Industry standards and KPIs • Secondary research • Watchdog organisations • Financial Ombudsman	**E4** **E5** **M5** **M7** **D1** **D2** **D4** **D5**
K4.1.2	How to establish trends and interpret the information to draw conclusions on findings and propose future actions or strategic action plans on the following types of risk • Operational • Reputational • Process • People	

	• Legal • Event • Systems	
K4.1.3	How to highlight risks that need to be identified to implement an action plan • Breaches of regulatory rules • Shared best practice • Consequences of breaching regulatory rules	
K4.1.4	How to perform a summary analysis on the interpretation of financial data, to include both qualitative and quantitative key information • External – customers/suppliers/investors/government agencies/creditors/banks • Internal – employees/shareholders/investors/owners/board of directors	
K4.1.5	How to use and interpret the metrics to explain (from the information above) • Risk • Analysis of products • Clients and portfolios	

What skills do students need to demonstrate? • Use digital tools to carry out financial projections (M3, M4, M6, D1) • Report on statistics using digital tools (M5, M8, D2, D4)
S4.1. Demonstrate understanding and apply basic statistical concepts using appropriate tools to perform and investigation or analysis of quantitative and qualitative data.
S4.1.7 Test quantitative data to check for errors or invalid results.
S4.1.8 Carry out financial projections of customer/client and company activities.
S4.1.11 Carry out a year-end review of internal report/documents.

What underpinning knowledge do students need?		English, maths, and digital skills
K4.2	**Financial forecasting and statistics used in risk and data analysis**	
K4.2.1	Basic concepts of financial forecasting to perform an investigation based on data Use formulae to calculate financial data to forecast information • Moving averages • Time series analysis • Linear regression • Standard deviation • Normal distribution	**M3** **M4** **M5** **M6** **M8** **D1** **D2** **D4**
K4.2.2	How to investigate data and identify the trends and patterns to test the accuracy of the information • Report findings to a financial target audience • Report findings to a non-financial target audience • Suggest recommendations based on findings of the information to both financial and non-financial customers • Use of analytics, technology, and big data	

What skills do students need to demonstrate? • Use digital tools to calculate financial information to assess risk (M3, M4, M6, D1, D5) • Report on risks using digital tools (M5, M8, D2, D4)
S4.1.4 Demonstrate understanding and apply basic statistical concepts using appropriate tools to perform and investigation or analysis of quantitative and qualitative data.
S4.1.5 Communicate technical information to non-technical audience.
S4.1.7 Test quantitative data to check for errors or invalid results.
S4.1.8 Carry out financial projections of customer/client and company activities.
S4.1.12 Produce summary and impact analysis on client/own firm within the context of a regulatory rule.

What underpinning knowledge do students need?		English, maths, and digital skills
K4.3	**Mathematics for finance**	
K4.3.1	How to use mathematical formulas to calculate financial information that can be used in assessing future risk • Simple and compound interest on long-term loans and mortgages • Foreign exchange conversion rates • Present value of money • Future value of money • IRR (internal rate of return) • Investment appraisal • Discounted cash flow • Pay back periods	**M3** **M4** **M5** **M6** **M8** **D1** **D2** **D4** **D5**
K4.3.2	How to carry out financial projections based on the calculated information and make recommendations to customer/client to inform on future activities	
K4.3.3	How to make suggestions on actions to take in order to minimise risk and highlight the implications of not taking appropriate action to minimise risk identified	

What skills do students need to demonstrate? • Use digital tools to assess risk (M2, M4, M6, D1, D5) • Report on findings using digital tools (E4, E5, M5, M8, D2)
S4.1.6 Examine large volume of data and establish trends/find patterns.

What underpinning knowledge do students need?		English, maths, and digital skills
K4.4	**Types of data**	**E4** **E5** **M2** **M4** **M5** **M6** **M8** **D1** **D2** **D5**
K4.4.1	Different types of data that can be used to assess risk • Client data • Company reports and financial reports • Credit reference agencies such as Experian – basic rating agency reports • Basic regulatory papers	
K4.4.2	How to use regulatory concepts to process the information • International Financial Reporting Standards • Corporate governance • Regulatory risk assessment • Financial Conduct Authority	
K4.4.3	How to produce a report with findings • Identify the summary findings • Identify the impact on client and business	

What skills do students need to demonstrate?
• Compile management information on risk using digital tools (E5, D1, D5)
S4.1.13 Demonstrate understanding of processes and regulation relating to external customers/clients by compiling Management Information (MI) on customers using software ready for reporting purposes.
S4.1.14 Demonstrate understanding of processes and regulation relating to external customers/clients by performing basic research on customers/clients (i.e. companies) using publicly available information.
S4.1.15 Use and interpret variety of metrics to explain risks, analyse products, clients, portfolios.

What underpinning knowledge do students need?		English, maths, and digital skills
K4.5	**Research and Management Information**	
K4.5.1	Available information in the public domain regarding companies and their management information with reference to processes and regulation in Financial Compliance and Risk Analyst activities including • Information systems • Due diligence • Full disclosure	**E5** **D1** **D5**
K4.5.2	How to compile management information in readiness for reporting, using computer software (such as DataRails, Kensho or Dashboard) to demonstrate a basic understanding of processes and regulation including • Financial data • Performance targets and variances • Outcomes of systems, procedures, and audit checks	

Scheme of Assessment – Financial Compliance/Risk Analyst

There is a single synoptic assessment for this Occupational Specialism, which is an extended project. The synoptic element of the project is important to ensure students can demonstrate threshold competence and are able to evidence all the skills required by the Performance Outcomes.

The project consists of several activities grouped into five substantive tasks.

Each task will be completed during a window set by Pearson, during which Providers will schedule supervised assessment sessions. In some cases, tasks will also involve opportunities for unsupervised activities, where the requirements of the skills being assessed make this necessary.

Occupational Specialism Project – Financial Compliance/Risk Analyst Management Analyst
Externally assessed project: 13 hours **200 marks**
Performance Outcomes In this unit, students will: **PO1:** Operate ethically and professionally in all interactions with customers/clients **PO2:** Communicate risk implications of products and services to internal and external customers/clients **PO3:** Communicate regulatory implications of products and services to internal and external customers/clients **PO4:** Investigate and analyse potential risk or regulatory issues and present findings
Assessment overview There are five parts to the assessment: • Task 1 – Operating ethically and professionally • Task 2 – Ethics and professionalism presentation • Task 3 – Consequences and recommendations for business risk issues • Task 4 – Investigating and analysing risk data • Task 5 – Consequences and recommendations for financial compliance issues. Students will respond to a given scenario to complete a substantial. Students will be assessed on their application of the skills listed for the Performance Outcomes. Students will not be assessed against specific 'knowledge' outcomes but will be expected to draw on and apply related knowledge to ensure appropriate outcomes when applying the skills in response to an assessment scenario. • Students will undertake the project under a combination of supervised and controlled conditions. • The assessment will take place over multiple sessions, up to a combined duration of 13 hours. • The project outcomes will consist of a portfolio of evidence submitted electronically. • This project will be set and marked by Pearson.

Resources for the delivery of Financial Compliance/Risk Analyst

For this Occupational Specialism there is no specialist equipment required.

Providers would benefit from a good IT suite with access to Office Software and the internet and for students to have regular access to this.

Teachers should have qualifications and/or experience in the business and financial sector and have some awareness of financial compliance and risk.

Teaching will need to be shared across a curriculum team which together will have the experience and knowledge that spans the breadth of the qualification content and has some experience of teaching to external assessments.

5. Technical Qualification grading, T Level grading and results reporting

The *Technical Qualification in Finance* will be graded and awarded to comply with the requirements of Ofqual's General Conditions of Recognition.

Calculation of the Technical Qualification grade

The Technical Qualification components are awarded at the grade ranges shown in the table below.

Component	Available grade range
Core	A* – U
Occupational Specialist	Unclassified, Pass, Merit, Distinction

The Core Component uses an aggregation of points from each of the three Core Assessments to calculate the A* to E.

Students whose level of achievement for either component is below the minimum judged by Pearson to be of sufficient standard will receive an unclassified U result.

Awarding the Core Component

Grade boundaries will be set for each sub-component (Core Examinations and Employer Set Project) in each series in which they are offered through a process known as awarding. Awarding is used to set grade boundaries and ensure that standards are maintained over time. This is important as we must ensure that students have the same opportunity to achieve, regardless of the assessment opportunity.

Uniform Mark Scale

Students' raw sub-component marks will be converted to a Uniform Mark Scale (UMS). The UMS is used to convert students' sub-component 'raw' marks into uniform marks. This is done to standardise marks from one series to another as assessments may vary in difficulty. For example, a student who achieves the lowest mark worthy of a C grade in the Employer Set Project in one series will receive the same uniform mark as a student achieving that same grade and level of performance in another series, regardless of their raw marks.

The maximum number of uniform marks available for each sub-component, and the uniform marks relating to each grade boundary, are fixed. These are shown in the following table:

Grade	Core Exam	Core ESP	Core Overall
Maximum	**240**	**120**	**360**
A*	216 – 240	108 – 120	324 – 360
A	192 – 215	96 – 107	288 – 323
B	168 – 191	84 – 95	252 – 287
C	144 – 167	72 – 83	216 – 251
D	120 – 143	60 – 71	180 – 215
E	96 – 119	48 – 59	144 – 179
U	0 – 95	0 – 47	0 – 143

The Core Examination has two exam papers, the results of which are combined before conversion to UMS.

Calculation of the T Level grade

The *Calculation of qualification grade* table below shows the minimum thresholds for calculating the T Level grade, subject to successful completion of all elements. The table will be kept under review over the lifetime of the T Level.

Calculation of qualification grade			
	Occupational Specialism grade		
Core grade	**Distinction**	**Merit**	**Pass**
A*	Distinction*	Distinction	Distinction
A	Distinction	Distinction	Merit
B	Distinction	Merit	Merit
C	Merit	Merit	Pass
D	Merit	Pass	Pass
E	Pass	Pass	Pass

Students who do not meet the minimum requirements for a T Level to be awarded will not be certificated. They may receive a Notification of Performance for individual components.

To be awarded the T Level, a student must complete both components and achieve a minimum of a grade E in the Core Component and a Pass in the Occupational Specialism Component. In addition, they must successfully complete the other elements of the T Level as required by the Institute for Apprenticeships and Technical Education (the Institute) and the T Level Panel, such as 315 hours of industry placement.

Students whose level of achievement for either component is below the minimum judged by Pearson to be of sufficient standard will receive an unclassified U result.

Results reporting

The *T Level Technical Qualification in Finance* forms the substantive part of the Accounting T Level programme. The T Level programme includes other elements that are required to be completed successfully for students to be awarded the T Level from the instittue. The Institute will provide T Level certificates to students who successfully complete all elements of the T Level programme.

The Institute will issue T Level results on Level 3 results day in August.

Pearson are not required to issue Technical Qualification certificates to students; instead we will provide component results for assessments that students undertake.

Pearson will issue component results on the results day designated for each assessment window.

6. Entry, delivery, and assessment information

Introduction

This section focuses on the key information to deliver the *Technical Qualification in Finance*. It is of particular value to programme leaders and examinations officers, who must ensure appropriate arrangements are made for assessments.

Student registration

Shortly after students start their T Level programme, you must make sure they are registered for the Technical Qualification. You will be required to register students as outlined in our Key Dates Schedule, which will be published annually on our T Level webpage.

At the point of registration onto the Technical Qualification, we will ask you to confirm the Occupational Specialist Component(s) the student has chosen to study, or as a minimum provide an indication.

Students can be formally assessed only for a qualification on which they are registered.

If students' intended qualifications change – for example, if a student decides to choose a different occupational specialism – then the Provider must transfer the student appropriately.

Transferring between T Levels

Some students may switch between T Levels. During Year 1, Providers should consider the degree of overlap between the two T Levels and the remaining time pre-assessment, to determine if transfers should be permitted.

For funding purposes, it is important that students have decided about their T Level and Occupational Specialism by the end of their first year.

T Level Core assessments will vary in terms of content coverage, duration, and method, and therefore attainment from one T Level cannot count towards another.

Programme delivery

Providers are free to deliver this Technical Qualification using any form of delivery that meets the needs of your students. We recommend making use of a wide variety of modes, including direct instruction in classrooms or work environments, investigative and practical work, group and peer work, private study, and e-learning.

Availability of live assessment

The assessments for the *T Level Technical Qualification in Finance* will be scheduled annually as shown in the table below.

Annual Series for Finance					
Component	**First assessment**	**Month(s)**	**Window/ set date**	**Exam type**	**Paper/ on-screen**
Core Examination 1	2023	June November	Set date and time	Written examination	Paper
Core Examination 2	2023	June November	Set date and time	Written examination	Paper
Employer Set Project	2023	May November	Window	Task	Paper
Occupational Specialist Project*	2024	March – May	Task specific: window/set date and time	Task	Paper

Annual assessment dates for the Technical Qualification will be published in the Key Dates Schedule, which is available on the qualification webpage. Each Technical Qualification has unique dates for each assessment and the window for the *Occupational Specialist Project will vary depending on the Technical Qualification, therefore please refer to the Key Dates Schedule for the qualification you are delivering.

In developing an overall plan for delivery and assessment for the qualification, you will need to consider the order in which you deliver the content and when the assessments will take place.

Students must be prepared for external assessment by the time they undertake it. In preparing students for assessment, you will want to take account of required learning time, the relationship with other external assessments and opportunities for retaking.

Language of assessment

Assessment of this qualification will be available in English. All student work must be in English. This does not affect special requirements.

Student assessment entry

Students must be entered into an assessment window, either for the Core Component or the Occupational Specialist Component, as outlined in our Key Dates Schedule.

For the first attempt for the Core Component, you will need to make an entry for **both** the Core Examinations **and** the Employer Set Project in the same window (i.e. May/June ***or*** November).

For a resit, students can take the Core Examinations and/or the Employer Set Project in a separate window. Therefore, you will need to make an entry for the window you require the student to resit the assessment in.

For the Occupational Specialist Component, you will need to make an entry for the window the student wishes to sit the assessment in.

Resit arrangements

As per the Ofqual Technical Qualification Handbook, there is no specific resit window permitted. However, students will be able to resit in any assessment window following their first sitting.

Students may resit:

- to improve grades
- the Core Examinations
- the Employer Set Project
- the assessments for an occupational specialism, or
- any combination of these.

Where a student fails one of the Core Examinations, they must resit both exams and must do so in the same assessment window.

However, where a student must resit both the Core Examinations and the Employer Set Project, they do not need to retake both sets of assessments in the same assessment window. For clarity, where a student resits the Core Examinations, he or she is not required to retake the Employer Set Project, and vice versa.

In order to access a resit opportunity, you will need to make an entry for the window you require the student to resit the assessment in; see *Student assessment entry* above. Resits can take place up until two academic years after the end of the final academic year for the cohort within which the relevant student is included.

Access to qualifications and assessments for students with disabilities or specific needs

Assessments need to be administered carefully to ensure that all students are treated fairly, and that results are issued on time to allow students to progress to their chosen progression opportunities.

Equity and fairness are central to our work. Our *Equality, Diversity and Inclusion* policy requires that all students should have equitable opportunity to access our qualifications and assessments, and that our qualifications are awarded in a way that is fair to every student. We are committed to making sure that:

- students with a protected characteristic (as defined by the Equality Act 2010) are not, when they are undertaking one of our qualifications, disadvantaged in comparison to students who do not share that characteristic
- all students achieve the recognition they deserve for undertaking a qualification, and that this achievement can be compared fairly to the achievement of their peers.

For students with disabilities and specific needs, the assessment of their potential to achieve the qualification must identify, where appropriate, the support that will be made available to them during delivery and assessment of the qualification. Please see information below on reasonable adjustments and special consideration.

Further information on access arrangements can be found in the Joint Council for Qualifications (JCQ) document *Access Arrangements, Reasonable Adjustments and Special Consideration for General and Vocational Qualifications*.

Special requirements

Some students may have special needs during their learning and Technical Qualification assessments. In such cases, providers can apply for special requirements on their behalf.

We have a dedicated webpage for Special Requirements. This includes:

- reasonable adjustments
- access arrangements
- special consideration
- modified formats.

Reasonable adjustments to assessment

The Equality Act 2010 requires an awarding organisation to make reasonable adjustments where a student with a disability would be at a substantial disadvantage in undertaking an assessment.

To ensure students have fair access to demonstrate the requirements of the assessments, a reasonable adjustment is one that is made before a student takes an assessment. In most cases, this can be achieved through a defined time extension or by adjusting the format of evidence. We can advise you if you are uncertain as to whether an adjustment is fair and reasonable. You need to plan for time to make adjustments if necessary.

We have a dedicated webpage for reasonable adjustment where Providers can learn more about the process and apply on behalf of a student.

Reasonable adjustments can help reduce the effects of a disability or difficulty that puts the student at a substantial disadvantage in an assessment, in order to enable them to demonstrate their knowledge, understanding, skills and behaviours to the level of attainment required.

Providers can access the *Application of Reasonable Adjustment for Technical Qualifications* via our dedicated webpage. The Provider's application must be made in line with the policy and a copy of their application must be retained.

Access arrangements

We also have a dedicated webpage for access arrangements, where Providers can learn more about arrangements available for students with special needs. Access arrangements aim to meet the particular needs of an individual student without affecting the integrity of the assessment.

Access arrangements allow students to show what they know and do without changing the integrity or the demands of the assessment, for example by using a reader or scribe. Access arrangements are approved before an examination or assessment and they allow students with special educational needs, disabilities or temporary injuries to access the assessment.

Special needs could include students:

- with known and long-standing learning difficulties
- with physical disabilities (permanent or temporary)
- with sensory impairment
- whose first language is not English
- who have difficulties at or near the time of assessment that may affect their performance in the assessment.

For more information about access arrangements, we suggest Providers refer to the JCQ booklet *Access Arrangements, Reasonable Adjustments*.

Special consideration

A student's assessment performance can sometimes be affected by circumstances out of their control. Special consideration is a post-examination adjustment that compensates students who were suffering from a temporary illness or condition, or who were otherwise disadvantaged at the time of the Technical Qualification assessment.

Exams officers may apply for special consideration on a student's behalf. We have a dedicated webpage for special consideration. This includes an FAQ fact sheet giving Providers answers to any questions or concerns they may have.

Special consideration will adhere to the following:

- There are general guidelines for special consideration in the JCQ booklet *A guide to the special consideration process*. It covers the process that is applied consistently by all Awarding Organisations. AOs will not enter into discussion with students or their parents as to how much special consideration should be applied.
- Special consideration cannot be applied in a cumulative fashion, i.e. on the basis of a domestic crisis at the time of the exam and the student suffering from a viral illness.
- Private students should liaise with the Provider where entries have been made, so that they can apply for special consideration on the private student's behalf.

Dealing with malpractice in assessment

We adhere to the JCQ document *Suspected Malpractice in Examinations and Assessments* in our approach to investigating potential malpractice or breaches of security. These procedures are in line with the Ofqual Conditions of Recognition. All allegations of potential malpractice are investigated, and sanctions imposed where malpractice is proven.

We have two dedicated webpages concerning malpractice:

- The first gives providers guidance on how to let us know about anything suspicious or incidents of malpractice, in accordance with JCQ regulations.
- The second gives students' information about what malpractice is and how to report it.

What does malpractice mean?

Malpractice means acts that undermine the integrity and validity of assessment, the certification of qualifications, and/or that may damage the authority of those responsible for delivering the assessment and certification.

Pearson does not tolerate actions (or attempted actions) of malpractice by students, provider staff or Providers in connection with Pearson qualifications. Pearson may impose penalties and/or sanctions on students, provider staff or Providers where incidents (or attempted incidents) of malpractice have been proven.

Malpractice may arise or be suspected in relation to any unit or type of assessment within the qualification. For further details regarding malpractice and advice on preventing malpractice by students, please see Pearson's *Provider guidance: Dealing with malpractice and maladministration in vocational qualifications*, available on our website.

Providers are required to take steps to prevent malpractice and to investigate instances of suspected malpractice. Students must be given information that explains what malpractice is for internal assessment and how suspected incidents will be dealt with by the Provider. The *Provider guidance: Dealing with malpractice and maladministration in vocational qualifications* document gives comprehensive information on the actions we expect you to take.

Pearson may conduct investigations if we believe that a Provider is failing to conduct the assessments according to our policies. The above document gives further information and examples and details the penalties and sanctions that may be imposed.

In the interests of students and Provider staff, providers need to respond effectively and openly to all requests relating to an investigation into an incident of suspected malpractice.

Student malpractice

Student malpractice refers to any act by a student that compromises or seeks to compromise the process of assessment, or which undermines the integrity of the qualifications or the validity of results.

Student malpractice in examinations **must** be reported to Pearson using a *JCQ Form M1* (available at www.jcq.org.uk/exams-office/malpractice). The form should be emailed to studentmalpractice@pearson.com. Please provide as much information and supporting documentation as possible. Note that the final decision regarding appropriate sanctions lies with Pearson.

Failure to report malpractice constitutes staff or Provider malpractice.

Tutor/provider malpractice

Providers are required to inform Pearson's Investigation Team of any incident of suspected malpractice by staff before any investigation is undertaken. Providers are requested to inform the Investigation Team by submitting a JCQ M2(a) form (downloadable from www.jcq.org.uk/malpractice) with supporting documentation to pqsmalpractice@pearson.com.

Where Pearson receives allegations of malpractice from other sources (for example, Pearson staff or anonymous informants), the Investigation Team will conduct the investigation directly or may ask the provider to assist.

Incidents of maladministration (accidental errors in the delivery of Pearson qualifications that may affect the assessment of students) must also be reported to the Investigation Team using the same method.

Heads of Providers/Principals/Chief Executive Officers or their nominees are required to inform students and Provider staff suspected of malpractice of their responsibilities and rights; see 6.15 of *JCQ Suspected Malpractice in Examinations and Assessments Policies and Procedures*.

In cases of suspected malpractice, Pearson reserves the right to withhold the issuing of results while an investigation is in progress. Depending on the outcome of the investigation, results may be released or withheld.

We reserve the right to withhold results when undertaking investigations, audits, and quality assurance processes. You will be notified within a reasonable period of time if this occurs.

Results transfer to Providers

To ensure you are supported, we will communicate with you on and before results day.

Results day will follow the format below:

Assessment window	Results day
Summer 2023	August 2023 (Level 3 results day)
November 2023	January/February 2024

As we are not required to issue Technical Qualification certificates, T Level certificates or T Level statements of achievement, we will not require you to complete any forms or processes to claim the Technical Qualification from Pearson. Instead, we will issue the results directly to you.

We will make available:

- Scorecards: outlining the achievement in percentage terms against each Assessment Objective
- Results Plus: a service whereby achievement will be presented in an item-by-item format. This means providers will be able to ascertain trends across and within cohorts, and clearly label the associated Assessment Objective
- Statement of Provisional Results: we will offer a provisional component result slip, clearly watermarked as a provisional component result.

Post-Results Services

Our Technical Qualification post-results services (PRS) and appeals will be implemented in line with Ofqual requirements, paying particular attention to the *Rules and Guidance for Technical Qualifications*, where sections Ofqual TQ13–23 refer to post-results activities, 'Review of Marking or Moderation' (RoMM) or Appeals.

We will provide the following:

- access to student assessment evidence
- appeal
- clerical checks
- expedited review of marking
- review of marking.

Our post-results services webpage will include all the necessary information for you to access the services for the T Level Technical Qualification. There will also be a specific *T Level Technical Qualification Post-Results Service Guide* for Providers to use following our first live assessment series in 2021. This information should be used alongside the *JCQ Post-Results Service Guide*.

PRS will be available after each assessment opportunity. Exams Officers will be able to apply for PRS via our online system; however, you must have permission from the student before applying. If a student wishes to apply for PRS they must do so via their Provider. We state within the PRS guidance on our website that we cannot accept appeals directly from students, their parents or other third parties acting on their behalf.

In addition, our unique Results Plus service and a free Access to Scripts service will be available, so that Providers are able to transparently see how marks are awarded.

Appeals process

Our appeals process for the Technical Qualification will reflect industry standards, as outlined by the relevant Ofqual Condition(s) (TQ17–TQ22) relating to appeals.

You will be able to appeal the outcome of marking, decisions made regarding reasonable adjustments or special consideration tariffs applied, and any consequence of malpractice or maladministration investigations by us or other Technical Qualification AOs.

All our investigations will be conducted in accordance with the *JCQ General and Vocational Qualifications Suspected Malpractice in Examinations and Assessments Policies and Procedures*.

7. Provider recognition and approval

Introduction

Our Provider Approval Process and criteria have been developed in collaboration with other awarding organisations offering Technical Qualifications to ensure you have a seamless experience across awarding organisations when requesting approval to deliver the Technical Qualification.

Approving Eligible Providers as Approved Providers

Eligible Providers, i.e. those who submitted an Intention to Teach and have been approved by the DfE to deliver T Levels, will be required to seek approval from Pearson for each Technical Qualification they wish to deliver. They will do this by completing **one** of the two Provider Application forms:

- T Level Technical Qualification Delivery Approval Application Form
- Pearson UK Vocational Provider Approval Application for T Level Technical Qualifications.

The first form is for existing vocational Pearson centres to gain approval to deliver the Technical Qualification.

The second form is for non-vocational Pearson centres, i.e. centres not delivering any other vocational Pearson qualification. These are **new** Providers applying for centre approval to deliver vocational qualifications and the T Level Technical Qualification.

Completing your Provider Approval Application

To support you, a short Provider Approval video can be found in our Engagement Hub. Please watch this first before starting your application process.

All the supporting documents and approval forms can be found in the Course Materials tab, this includes:

- A Guide to Provider Approval
- Guidance Document Pearson Vocational Provider Approval Application for T Level Technical Qualifications
- Pearson T Level Technical Qualification Delivery Approval Application Form
- Pearson Vocational Provider Approval Application for T Level Technical Qualifications.

In addition, we will also support you in the following ways:

- phone support via our Approvals Team
- on-boarding training via Provider Support.

If you have any questions about Provider Approval, please contact us via the service portal.

Provider and Technical Qualification approval

As part of the approval process, you must make sure that the resource requirements listed below are in place before offering the qualification:

- Providers must have appropriate physical resources (for example, equipment, IT, learning materials, teaching rooms) to support the delivery and assessment of the qualification.
- There must be systems in place to ensure continuing professional development for staff delivering the qualification.
- Providers must have in place appropriate health and safety policies relating to the use of equipment by students.
- Providers must deliver the qualification in accordance with current equality and diversity legislation and/or regulations.
- Providers should refer to the Resources for delivery of content section in the components to check for any specific resources required.
- Administration arrangements, including security of live assessments, must be in place.

The methods we use to ensure Providers have the above resources in place include:

- Making sure that all Providers complete appropriate declarations at the time of approval.
- Undertaking approval visits to Providers.
- An overarching review and assessment of a Provider's strategy for delivering and quality assuring its technical qualifications.

Providers that do not comply with remedial action plans may have their approval to deliver qualifications removed.

What level of sector knowledge is needed to teach this qualification?

We do not set any requirements for tutors but recommend that Providers assess the overall skills and knowledge of the teaching team to ensure that they are relevant and up to date. This will give students a rich programme to prepare them for employment in the sector.

Providers should refer to the *Resources for delivery of* section in the components to check for any knowledge and skills that will be beneficial to the delivery of the programme.

What resources are required to deliver this qualification?

As part of your Provider Approval, you will need to show that the necessary material resources and workspaces are available to deliver this technical qualification. Where specific resources are required to deliver the content, these are stated in the relevant component.

Providers should refer to the *Resources for delivery of content* section in the components to check for any specific resources required.

Quality assurance for the delivery of the Technical Qualification

All Providers will be subject to the same level of scrutiny for the delivery of the Technical Qualification.

We will monitor you throughout the delivery of the contract. This is to ensure you have appropriate and consistent quality assurance measures in place for the delivery of the Technical Qualification, and to ensure that you maintain ongoing compliance with our quality assurance measures to retain your approval status.

To maintain ongoing quality, give support and monitor standards, you will receive a termly phone call, and support visit if necessary, from a Provider Quality Manager (PQM). The PQM will check the quality of delivery, confirm implementation of guide/grade exemplification materials, and confirm you are on track for assessment and are accessing our Provider Support.

We will monitor the following activity that could impact approval status:

- registration patterns
- student outcomes
- quality issues identified by our PQM
- reports of maladministration or malpractice.

The PQM will identify any concerns during the termly phone call, provide support and escalate as required. In order to resolve any issues you may have in meeting our quality assurance measures, the PQM will create an action plan with goals and timescales and support you through the process. If you do not make adequate progress against the action plan, we will notify the Institute of our intention to remove approval status.

Live assessment monitoring

Each assessment in the Technical Qualification is set and marked by Pearson.

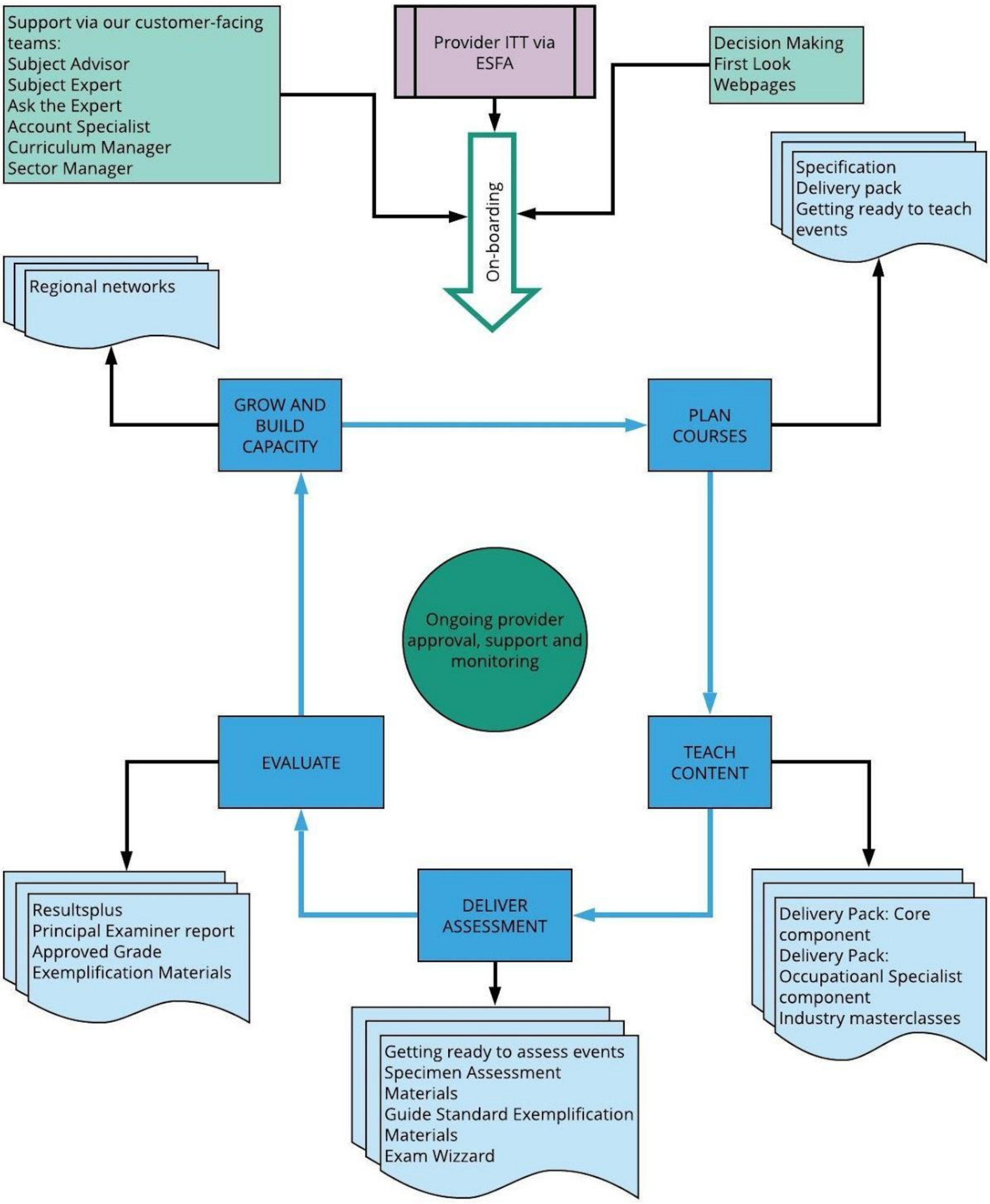
The Core Examinations and the Employer Set Project will be sat under exam conditions, following *JCQ's ICE guidance*.

The Occupational Specialist project has different controls depending on the tasks being undertaken by the student. Therefore, full detail of student monitoring will be provided within the assessment materials; these will be published on our T Level webpage before the assessment window commences.

The Technical Qualification represents a significant change. It will change how you recruit students, who teaches the occupational specialism, how you incorporate the industry placement, and how you teach and prepare students for external assessment. We will create a range of bespoke support for admin/exams officers, tutors, and students that accounts for the step-change the reforms are looking to make in teaching and learning technical skills.

Our aim is to give you support centred on the assessment life cycle, to enable you to deliver the Technical Qualification with confidence. Our support will be in a diverse range of formats including editable documents, videos, recorded modules, live webinars, and face-to-face events, and housed on our Technical Qualification website that is open and easy to find.

Provider Support Life Cycle



Teaching, learning and assessment materials

1. Plan

- Specification: content elaboration, guidance, and support.
- Onboarding materials: provider journey from initial enquiry through to results.

2. Teach

- Core Delivery Pack: topic guides with introductory PowerPoints and activities, industry links and mapping to assessment.
- Occupational Specialist Delivery Pack: an industry project designed with our EVP to enable holistic delivery of the occupational specialism to enhance student experience and prepare for synoptic assessment; used 'off the shelf' or adapted for local or student needs.

3. Assess

- Specimen Assessment Materials (SAMs).
- Guide Standard Exemplification Materials (GSEM).

4. Evaluate

- Principal examiner (PE) report for each component: commentary on performance, including Approved Grade Standard Exemplification Materials.

Provider training

Our training will incorporate the above teaching, learning and assessment materials and allow for an in-depth look at content, pedagogy, and assessment, providing an opportunity for you to network, share ideas and unpick common issues.

The events are targeted at a variety of roles and fit into the Provider journey as follows:

1. Plan

- Admin/Exams Officer: set-up and support on administrative, technical or operational matters.
- Getting started: first look at Technical Qualification specification.
- Getting Ready to Teach: planning, using the support materials, exploring teaching strategies, external and synoptic assessment.

2. Teach

- Half-termly Question and Answer Networks: webinar with our Sector Manager and Subject Advisor, live chat to ask questions, gain clarification and collaborate.
- Industry masterclasses designed and delivered with our EVP: to improve depth of understanding of industry topics.

3. Assess

- Getting Ready to Assess: understanding the standard using GSEM and mark schemes, how to plan, schedule and deliver assessment – including resources and controls.

4. Evaluate

- Feedback: examiner feedback and implications for future delivery; demonstrating Exam Wizard and ResultsPlus (see below) to support teaching and exam preparation.

Preparing students for external assessment will be new to many tutors. The following two services are unique to Pearson, have proved very popular and will be available for free.

- Exam Wizard is an exam-paper creation tool that allows you to create mock exams and topic tests from a database of sample questions and papers, as well as past papers. Tutors specify the type of assessment they want and a bespoke test with mark scheme and examiner report is created for students to use as practice.
- ResultsPlus is a post-results data analysis tool. It gives item-level analysis by student, class, cohort, or cluster of Providers. This allows the user to pinpoint areas of strength and weakness, and to amend teaching and learning to improve student outcomes and motivation.

Provider contact

In addition to the bespoke area of our website, which is located here, we will also offer a personal, easy-to-access and expert service via the following:

- Customer Service Account Specialist: named contact for admin/exams officer on administrative or operational matters via phone or email.
- Subject Advisor: named contact for teaching and delivery questions via phone, email, live chat, Facebook, Twitter; provides monthly news promoting support, training and updates.
- Ask the Expert: email address to ask complex or specialist questions relating to content, delivery and assessment.
- Curriculum Development Managers: regional staff who will promote the Technical Qualification, support onboarding and facilitate network events.
- Sector Manager: collect feedback from providers and employers to identify improvements to our support and services.

Our T Levels Support webpage gives you all the contact details to support you.

This includes our:

- Pearson Support Portal
- email addresses for administration and teacher support
- call centre, which is open between 8am and 5pm
- postal address.

Appendix 1: General Competency Frameworks for T Levels

The General Competency Framework for T Levels articulates English, maths and digital competencies that students are required to develop over the course of the qualification. The tables below list the competencies from the framework that are relevant to the *T Level Technical Qualification in Finance*. The skills in grey are not relevant.

Competencies that can be developed in relation to a specification element of content are referenced in the column next to this content element in the occupational specialism. These competencies should be delivered through the content of this qualification and tutors should seek opportunities to allow students to develop the relevant skills to enable them to reach threshold competence in the specialism.

The English, maths and digital competencies are embedded in both the Core Component and the Occupational Specialist Component of the *T Level Technical Qualification in Finance*. This is so that students can demonstrate their knowledge and understanding of these skills over the course of the qualification.

General English competencies

E1	Convey technical information to different audiences
E2	Present information and ideas
E3	Create texts for different purposes and audiences
E4	Summarise information/ideas
E5	Synthesise information
E6	Take part in/leading discussions

General maths competencies

M1	Measure with precision
M2	Estimate, calculate and spot errors
M3	Work with proportion
M4	Use rules and formulae
M5	Process data
M6	Understand data and risk
M7	Interpret and represent with mathematical diagrams
M8	Communicate using mathematics
M9	Cost a project
M10	Optimise work processes

General digital competencies

Students should be supported to develop the digital knowledge and skills needed in order to:

D1	Use digital technology and media effectively
D2	Design, create and edit documents and digital media
D3	Communicate and collaborate
D4	Process and analyse numerical data
D5	Be safe and responsible online
D6	Code and program

Explore Pearson's T Levels offering at
https://qualifications.pearson.com/en/qualifications/t-levels.html