

# LIBF

## LIBF Level 4 Diploma for Financial Advisers (DipFA<sup>®</sup>)

Qualification specification



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## Purpose of the qualification

### Why study the LIBF Level 4 Diploma for Financial Advisers (DipFA®)?

The Level 4 Diploma for Financial Advisers (DipFA®) is an industry benchmark qualification which meets the Financial Conduct Authority's (FCA) qualification requirement for retail investment advisers. Highly relevant and practical, the programme is tailored to reflect the role of an IFA, providing you with the required knowledge and skills to apply the subject matter effectively in the workplace. The assessments consist of objective knowledge testing and fact find-based learning designed to replicate the real-life activities that advisers undertake.

### Objectives and key content areas

As a comprehensive programme focusing on the UK financial services industry and its role in serving the consumer, the qualification develops specialist knowledge and skills by introducing you to the application of financial services regulation and the responsibilities of a regulated adviser. As part of this, it will provide you with an insight into the application and review of risk and ethics. The qualification will also equip you with the knowledge and skills required to offer financial advice as well as create, implement and maintain financial plans.

LIBF is a leading provider of qualifications recognised by the Financial Conduct Authority as being appropriate for certain regulated functions. However, it is your responsibility to be aware of and adhere to any additional regulatory requirements associated with these roles as set out in the FCA Handbook. Please refer to the Financial Conduct Authority for further information.

Throughout the programme, you will understand the:

- knowledge and understanding of financial institutions to enable you to identify the different types of services that they provide;
- functions and importance of the main components of the monetary and financial system;
- concept and nature of risk and factors to the advice process for financial advice;
- FCA's approach to ethical and unethical behaviours and develop an understanding of the Code of Ethics;
- commercial and regulatory environment, products, services and legislation that inform the financial advice process;

- importance of consumer-oriented communication and ethical behaviours through the practical application of accumulated knowledge and skills through the advice process;
- personal approaches that individuals take towards risk and rewards and the impact of foreseen and unforeseen influences;
- features of different types of products, and how to make informed choices about these products; and
- validity of data and information as a means of assisting in the financial decision-making process.

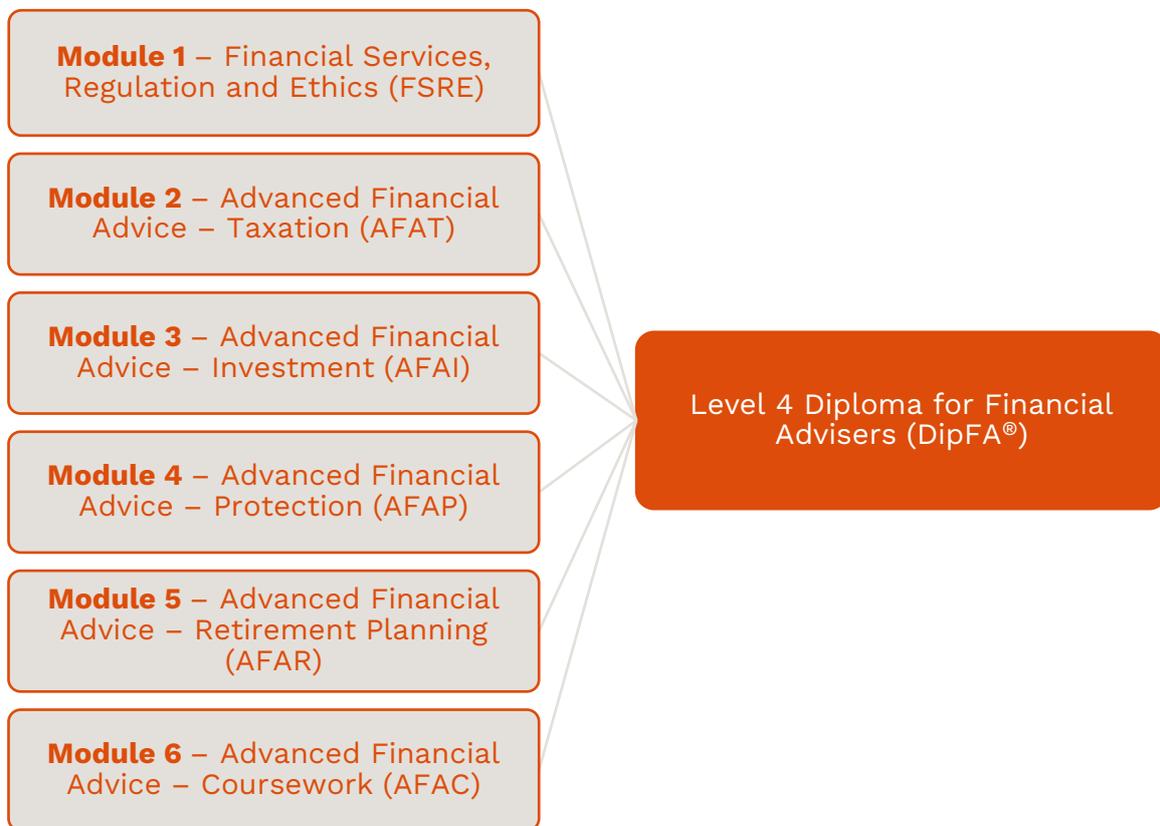
## Key skills developed

The qualification will encourage you to:

- develop an in-depth understanding of the UK financial services industry and regulation;
- formulate and communicate holistic financial advice;
- create, implement and maintain financial plans;
- develop an understanding of current technical language and regulation;
- locate, extract and analyse data from different financial sources; and
- increase your ability to work and learn independently.

## Structure

The Level 4 Diploma for Financial Advisers (DipFA®) comprises six mandatory modules which need to be successfully completed to achieve the qualification:



### Module 1 – Financial Services, Regulation and Ethics (FSRE)

- **Unit 1** – Financial Services, Regulation and Ethics – Part 1 (FRE1) Credits: 5 Total Unit Study Time: 50
- **Unit 2** – Financial Services, Regulation and Ethics – Part 2 (FRE2) Credits: 6 Total Unit Study Time: 60

### Module 2 – Advanced Financial Advice – Taxation (AFAT)

- **Unit 3** – Advanced Financial Advice – Taxation Part 1 (AFT1) Credits: 3 Total Unit Study Time: 30
- **Unit 4** – Advanced Financial Advice – Taxation Part 2 (AFT2) Credits: 3 Total Unit Study Time: 30

## Module 3 – Advanced Financial Advice – Investment (AFAI)

- **Unit 5** – Advanced Financial Advice – Investment Part 1 (AFI1) Credits: 3 Total Unit Study Time: 30
- **Unit 6** – Advanced Financial Advice – Investment Part 2 (AFI2) Credits: 3 Total Unit Study Time: 30

## Module 4 – Advanced Financial Advice – Protection (AFAP)

- **Unit 7** – Advanced Financial Advice – Protection Part 1 (AFP1) Credits: 3 Total Unit Study Time: 30
- **Unit 8** – Advanced Financial Advice – Protection Part 2 (AFP2) Credits: 3 Total Unit Study Time: 30

## Module 5 – Advanced Financial Advice – Retirement Planning (AFAR)

- **Unit 9** – Advanced Financial Advice – Retirement Planning Part 1 (AFR1) Credits: 3 Total Unit Study Time: 30
- **Unit 10** – Advanced Financial Advice – Retirement Planning Part 2 (AFR2) Credits: 3 Total Unit Study Time: 30

## Module 6 – Advanced Financial Advice – Coursework (AFAC)

- **Unit 11** – Advanced Financial Advice – Coursework Credits: 5 Total Unit Study Time: 50

## Qualification delivery

### Total qualification time (TQT)

Total Qualification Time (TQT) is a prediction of the total time a student with no prior knowledge might need to complete the course.

TQT consists of two elements, Guided Learning (GL) and all other hours:

- Guided Learning (GL) comprises study time under direct teacher supervision, encompassing instructional sessions and supervised examinations.
- All other hours include hours spent unsupervised in research, learning, e-learning, e-assessment, completing coursework, exam preparation, and formal assessments.

DipFA is primarily considered as a self-directed study qualification with planned examination sessions.

Guided Learning Hours	30 hours
Other hours	370 hours
Total Qualification Time	400 hours

## Assessment

All assessments need to be passed to achieve a qualification pass. All modules are mandatory and are assessed as follows.

### Module 1 – FSRE

Assessment for this module consists of two, one-hour exams, which are comprised of FSRE unit 1 (FRE1) and FSRE unit 2 (FRE2). Each unit will include 25 multiple-choice questions and 3 case studies with 5 linked multiple-choice questions. Each unit is worth a total of 40 marks, meaning that the entire exam is worth a total of 80 marks.

### Modules 2–6 – AFAT, AFAI, AFAP, AFAR & AFAC

Assessments for these modules consist of the following:

- **Module 2 – AFAT (Units 3 & 4):** Each unit includes 20 multiple-choice questions and 2 case studies with 5 multiple choice questions related to each case study. Each unit is worth 30 marks.
- **Module 3 – AFAI (Units 5 & 6):** Each unit includes 20 multiple-choice questions and 2 case studies with 5 multiple choice questions related to each case study. Each unit is worth 30 marks.
- **Module 4 – AFAP (Units 7 & 8):** Each unit includes 20 multiple-choice questions and 2 case studies with 5 multiple choice questions related to each case study. Each unit is worth 30 marks.
- **Module 5 – AFAR (Units 9 & 10):** Each unit includes 20 multiple-choice questions and 2 case studies with 5 multiple choice questions related to each case study. Each unit is worth 30 marks.

A total of 240 marks are available across modules 2–5.

- **Module 6 – AFAC (Unit 11):** This unit comprises a coursework consisting of a pre-release fact find, requiring an essay response worth 240 marks.

A total of 560 marks are available across all modules 2–6.

## Preparing for the assessments

Examinations are sat electronically at any one of the Pearson VUE test venues worldwide or via Remote Invigilation in permitted locations where you can sit your assessment remotely. You must be registered to sit an examination at a test venue of your choosing (subject to demand/availability); this is managed by you. It is recommended that you book your exam three weeks in advance of the date you wish to sit. However, subject to availability, an examination can be booked as little as two working days in advance. Examinations can be booked via the Pearson VUE website or by phone. Please visit the Pearson VUE website for further information.

On registration of module 6 (AFA coursework) you will be able to choose a specific coursework session. You can view and change your coursework session via [MyLIBF](#), but this must be changed before the deadline date. Your coursework will be submitted via your course site; once submitted, this will be automatically checked for originality by Turnitin. Guidance on the submission process, Turnitin and referencing is provided on the course site.

To prepare for the assessment you should make use of all learning resources as part of your revision for the exam.

## Qualification grading

The qualification will be graded Pass/Fail.

To pass the multiple-choice units you must achieve a minimum mark of 70%. The grade boundaries for each unit are as follows:

Grade	Percentage mark
Pass	70–79
Merit	80–89
Distinction	90–100

Feedback is provided via analysis sheets available on [MyLIBF](#), to see your strengths and areas to develop.

To pass the coursework you must achieve a minimum mark of 50%. The grade boundaries for the coursework are as follows:

Grade	Percentage mark
Pass	50–59
Merit	60–69
Distinction	70–100

For Module 6, a chief examiner’s report is provided for the coursework. These highlight general areas of strength and weakness and provide guidance for future students.

## Resit attempts

The qualification has a twelve-month registration period. There are no restrictions on the number of times you can resit a unit in which you were unsuccessful, however, you must resit the unit in accordance with the published policies of LIBF.

For the multiple-choice units (modules 1-5) you only need to resit the unit(s) you have failed.

## Additional information

### Entry requirements

There are no specified entry requirements. However, you need to be satisfied of your ability to study in English.

### Recognition of prior learning (RPL)

LIBF recognises prior learning in different forms. Potentially, this means that you may not be required to register for every unit. Details of how to apply for recognition of prior learning are available on our [website](#).

### Progression and preparation for further study

Upon successful completion of the DipFA and subject to eligibility criteria, you are able to apply for your [Statement of Professional Standing \(SPS\)](#). You may also consider further study with LIBF. You could progress on to the [Level 6 Diploma in Financial Advice \(Adv DipFA®\)](#) – an advanced qualification which leads to Chartered status. Alternatively, the [Level](#)

[6 Pension Transfer \(PETR\)](#) enables you to qualify as a pension transfer specialist through completion of a single unit, achievable in as little as 4 months.

For the purpose of RPL into our HE programmes the qualification learning outcomes can be drawn from the key content areas.

## Apprenticeships

DipFA® appears in the Financial Adviser apprenticeship standard and is designed to provide a solid foundation in financial services that underpins employment in many fields within the financial sector; this foundation is across a wider range of opportunities than would be found within a single apprenticeship standard. Further details can be found on the [Gov website](#).

## Preparation for employment / professional development

DipFA® meets the FCA's examination requirements for financial advisers. It also develops knowledge and understanding of financial services and advice and enhances skills that are valued within that sector and others. You will be in a position to make informed choices, whether to pursue a career within the financial services sector immediately or after further study, or whether to apply the financial skills that you have developed to other careers or study options.

Upon completion, our ongoing support includes [membership](#) of the LIBF, [Continuing Professional Development \(CPD\)](#) services and the issuance of Statements of Professional Standing (SPS).

## Appendices

### Appendix 1 – Unit 1 – Financial Services, Regulation and Ethics – Part 1 (FRE1)

The Financial Services, Regulation and Ethics Part 1 unit descriptions and syllabuses can be found within the FSRE qualification specification.

### Appendix 2 – Unit 2 – Financial Services, Regulation and Ethics – Part 2 (FRE2)

The Financial Services, Regulation and Ethics Part 2 unit descriptions and syllabuses can be found within the FSRE qualification specification.

### Appendix 3 – Unit 3 – Advanced Financial Advice – Taxation Part 1 (AFT1)

This section provides information about the Advanced Financial Advice – Taxation Part 1, including syllabus content, learning outcomes and assessment criteria. AFT1 is a mandatory unit within the DipFA qualification.

#### Assessment methodology

The assessment of AFT1 has two components:

- i. An electronic assessment with multiple-choice questions via a 45-minute multiple-choice examination.
  - a. Part 1 with 20 multiple-choice questions (select 1 answer from 4). One mark is available for each correct answer. This component is worth 20 marks.
  - b. Part 2 with 2 case studies with 5 linked multiple-choice questions (select 1 answer from 4). One mark is available for each correctly answered question. This component is worth 10 marks.
- i. A total of 30 marks are available.
- ii. The unit pass mark is 70% and you must achieve the minimum pass mark for the unit. Higher-level passes are achieved at merit (80%) and distinction (90%) level.

## Learning outcomes and assessment criteria

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:
LO1 Understand the UK taxation system in relation to individuals and trusts.	AC1.1 Explain the features and impact of income tax.  AC1.2 Explain the features and impact of National Insurance Contributions (NICs).  AC1.3 Explain the features and impact of capital gains tax (CGT).  AC 1.4 Explain the features and impact of inheritance tax (IHT).  AC1.5 Differentiate the tax status of residence and domicile.  AC1.6 Explain the main tax compliance criteria.  AC1.7 Explain the features and impact of stamp duty.  AC1.8 Explain the features of value added tax (VAT) and corporation tax.
LO2 Understand taxation of investments in relation to individuals and trusts.	AC2.1 Explain the features of direct investment.  AC2.2 Explain the features of indirect investment.

## Appendix 4 – Unit 4 – Advanced Financial Advice – Taxation Part 2 (AFT2)

This section provides information about the Advanced Financial Advice – Taxation Part 2, including syllabus content, learning outcomes and assessment criteria. AFT2 is a mandatory unit within the DipFA qualification.

### Assessment methodology

The assessment of AFT2 has two components:

- i. An electronic assessment with multiple-choice questions via a 45-minute multiple-choice examination.
  - a. Part 1 with 20 multiple-choice questions (select 1 answer from 4). One mark is available for each correct answer. This component is worth 20 marks.
  - b. Part 2 with 2 case studies with 5 linked multiple-choice questions (select 1 answer from 4). One mark is available for each correctly answered question. This component is worth 10 marks.
- ii. A total of 30 marks are available.
- iii. The unit pass mark is 70% and you must achieve the minimum pass mark for the unit. Higher-level passes are achieved at merit (80%) and distinction (90%) level.

## Learning outcomes and assessment criteria

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:
LO3 Understand the role and relevance of taxation in the financial affairs of individuals and trusts.	AC3.1 Assess the impact of taxes on individuals, trusts and their investments.  AC3.2 Identify the key principles of income tax planning.  AC3.3 Evaluate the main uses of lifetime gifts and trusts in IHT mitigation.  AC3.4 Explain wills, will trusts and intestacy.
LO4 Understand personal taxation in relation to investment advice.	AC4.1 Perform ordinary tax computation.  AC4.2 Explain essential tax planning recommendations.

## Appendix 5 – Unit 5 – Advanced Financial Advice – Investment Part 1 (AFI1)

This section provides information about the Advanced Financial Advice – Investment Part 1, including syllabus content, learning outcomes and assessment criteria. AFI1 is a mandatory unit within the DipFA qualification.

### Assessment methodology

The assessment of AFI1 has two components:

- i. An electronic assessment with multiple-choice questions via a 45-minute multiple-choice examination.
  - a. Part 1 with 20 multiple-choice questions (select 1 answer from 4). One mark is available for each correct answer. This component is worth 20 marks.
  - b. Part 2 with 2 case studies with 5 linked multiple-choice questions (select 1 answer from 4). One mark is available for each correctly answered question. This component is worth 10 marks.
- ii. A total of 30 marks are available.
- iii. The unit pass mark is 70% and you must achieve the minimum pass mark for the unit. Higher-level passes are achieved at merit (80%) and distinction (90%) level.

## Learning outcomes and assessment criteria

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:
LO5 Understand the macroeconomic environment and its impact on asset classes.	AC5.1 Discuss the main long-term UK and global socio-economic trends.  AC5.2 Discuss world economics and globalisation of markets.  AC5.3 Identify economic and financial cycles – predictability, regional economy differences.  AC5.4 Explain the significance of monetary and fiscal policy.  AC5.5 Discuss the relevance of money, inflation, deflation, interest rates and exchange rates.  AC5.6 Discuss the balance of payments and international capital flows.  AC5.7 Explain the role of financial investment in the economy.
LO6 Understand the main characteristics and behaviours of asset classes.	AC6.1 Explain the main types and features of cash and cash equivalents.  AC6.2 Explain the main types and features of fixed interest securities.  AC6.3 Explain the main types and features of equities.  AC6.4 Explain the main types and features of property.  AC6.5 Explain the main types and features of alternative investments.  AC6.6 Explain the concepts of pricing, liquidity and fair value.  AC6.7 Analyse the correlation of asset classes and their relevance to asset allocation.
LO7 Understand the merits and limitations of the main investment theories.	AC7.1 Discuss the key features of the main investment theories.  AC7.2 Explain the basics of behavioural finance.  AC7.3 Explain the portfolio theory, diversification and hedging.

	AC7.4 Explain the multi factor model for equity and fixed income.
LO8 Understand the principles of the time value of money.	AC8.1 Explain compound interest and discounting.  AC8.2 Define real returns and nominal returns.
LO9 Understand the nature and impact of the main types of risk on investment performance.	AC9.1 Analyse the risks relating to liquidity and access.  AC9.2 Evaluate the risks relating to income and capital growth.  AC9.3 Explain short-term investment volatility.  AC9.4 Analyse long-term investment performance.  AC9.5 Analyse the risks relating to gearing.  AC9.6 Explain currency risks.  AC9.7 Explain inflation and interest rates risks.  AC9.8 Explain systematic and non-systematic risks.

## Appendix 6 – Unit 6 – Advanced Financial Advice – Investment Part 2 (AFI2)

This section provides information about the Advanced Financial Advice – Investment Part 2, including syllabus content, learning outcomes and assessment criteria. AFI2 is a mandatory unit within the DipFA qualification.

### Assessment methodology

The assessment of AFI2 has two components:

- i. An electronic assessment with multiple-choice questions via a 45-minute multiple-choice examination.
  - a. Part 1 with 20 multiple-choice questions (select 1 answer from 4). One mark is available for each correct answer. This component is worth 20 marks.
  - b. Part 2 with 2 case studies with 5 linked multiple-choice questions (select 1 answer from 4). One mark is available for each correctly answered question. This component is worth 10 marks.
- ii. A total of 30 marks are available.
- iii. The unit pass mark is 70% and you must achieve the minimum pass mark for the unit. Higher-level passes are achieved at merit (80%) and distinction (90%) level.

## Learning outcomes and assessment criteria

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:
LO10 Understand the characteristics and behaviours of investment products.	AC10.1 Discuss the main types and uses of indirect investment products.  AC10.2 Describe the main types, uses and structure of derivatives.  AC10.3 Describe the main types, uses and structure of investment-strategy-based products.  AC10.4 Analyse the advantages and disadvantages of direct investment compared with indirect investment.
LO11 Understand the principles of investment planning.	AC11.1 Interpret stochastic modelling.  AC11.2 Explain tactical and strategic asset allocation.  AC11.3 Apply the principles of portfolio construction.  AC11.4 Analyse the use of wraps and other platforms.
LO12 Understand the investment advice process.	AC12.1 Apply the principles of 'know your client' requirements.  AC12.2 Perform client-specific asset allocation.
LO13 Understand the performance of investments.	AC13.1 Analyse portfolio performance.  AC13.2 Perform portfolio reviews and administration.

## Appendix 7 – Unit 7 – Advanced Financial Advice – Protection Part 1 (AFP1)

This section provides information about the Advanced Financial Advice – Protection Part 1, including syllabus content, learning outcomes and assessment criteria. AFP1 is a mandatory unit within the DipFA qualification.

### Assessment methodology

The assessment of AFP1 has two components:

- i. An electronic assessment with multiple-choice questions via a 45-minute multiple-choice examination.
  - a. Part 1 with 20 multiple-choice questions (select 1 answer from 4). One mark is available for each correct answer. This component is worth 20 marks.
  - b. Part 2 with 2 case studies with 5 linked multiple-choice questions (select 1 answer from 4). One mark is available for each correctly answered question. This component is worth 10 marks.
- ii. A total of 30 marks are available.
- iii. The unit pass mark is 70% and you must achieve the minimum pass mark for the unit. Higher-level passes are achieved at merit (80%) and distinction (90%) level.

## Learning outcomes and assessment criteria

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:
LO14 Understand the areas of need for financial protection planning.	AC14.1 Identify personal and family income and capital protection needs.  AC14.2 Describe the relationships between insurance and assets and liabilities.  AC14.3 Identify business protection needs.
LO15 Understand the consumer and retail market factors and trends relevant to financial protection.	AC15.1 Explain the role of insurance in mitigating personal financial risk.  AC15.2 Discuss consumer attitudes and behaviours to protection.  AC15.3 Discuss health, employment and product trends.  AC15.4 Access to advice or insurance cover.
LO16 Understand the main sources of financial protection.	A16.1 Explain the main sources of financial protection.
LO17 Understand the role and limitations of state benefits for financial protection.	AC17.1 Explain the range and limitations of state benefits.  AC17.2 Describe the mortgage repayment support.  AC17.3 Analyse the impact of state benefits on financial planning.
LO18 Understand the range and application of life assurance policies to meet financial protection needs.	AC18.1 Compare the advantage and disadvantages of the different types of protection policy.  AC18.2 Describe the cost and premium calculation factors.  AC18.3 Explain the legal requirements, ownership and use of trusts.  AC18.4 Explain underwriting and the claim process.  AC18.5 Explain the main policy options.



## Appendix 8 – Unit 8 – Advanced Financial Advice – Protection Part 2 (AFP2)

This section provides information about the Advanced Financial Advice – Protection Part 2, including syllabus content, learning outcomes and assessment criteria. AFP2 is a mandatory unit within the DipFA qualification.

### Assessment methodology

The assessment of AFP2 has two components:

- i. An electronic assessment with multiple-choice questions via a 45-minute multiple-choice examination.
  - a. Part 1 with 20 multiple-choice questions (select 1 answer from 4). One mark is available for each correct answer. This component is worth 20 marks.
  - b. Part 2 with 2 case studies with 5 linked multiple-choice questions (select 1 answer from 4). One mark is available for each correctly answered question. This component is worth 10 marks.
- ii. A total of 30 marks are available.
- iii. The unit pass mark is 70% and you must achieve the minimum pass mark for the unit. Higher-level passes are achieved at merit (80%) and distinction (90%) level.

## Learning outcomes and assessment criteria

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:
LO19 Understand taxation treatment of life assurance and pension-based policies.	AC19.1 Describe the treatment of qualifying policies, non-qualifying policies and offshore policies.  AC19.2 Analyse the impact of income tax on life assurance and pension-based policies.  AC19.3 Analyse the impact of capital gains tax (CGT) on life assurance and pension-based policies.  AC19.4 Analyse the impact of inheritance tax (IHT) on life assurance and pension-based policies.
LO20 Understand the range and application of income protection insurance.	AC20.1 Evaluate the advantages and disadvantages of the different types of policy.  AC20.2 Describe policy definitions, exclusions and premium calculation factors.  AC20.3 Explain underwriting and the claims process.  AC20.4 Explain the taxation treatment.  AC20.5 Describe the structure and nature of group policies.
LO21 Understand the range and applications of critical illness insurance.	AC21.1 Evaluate the advantages and disadvantages of the different types of policy.  AC21.2 Summarise the market developments for critical illness insurance.  AC21.3 Describe policy definitions, exclusions and premium calculation factors.  AC21.4 Explain underwriting and the claims process.  AC21.5 Explain the taxation treatment and use of trusts for critical illness policies.  AC21.6 Describe the structure and nature of group policies.
LO22 Understand the range and application of long-term care insurance.	AC22.1 Discuss the political environment, social care policy and national factors.

	<p>AC22.2 Explain the regulatory environment.</p> <p>AC22.3 Explain the main product types and features.</p> <p>AC22.4 Evaluate the factors involved in long-term care planning.</p>
<p>LO23 Understand the main features of other insurance based protection policies.</p>	<p>AC23.1 Discuss the features and benefits of personal accident and sickness insurance.</p> <p>AC23.2 Discuss the features and benefits of private and medical insurance, hospital plans and dental insurance.</p> <p>AC23.3 Discuss the features and benefits of payment protection insurance.</p>
<p>LO24 Understand the needs and priorities in selecting appropriate financial protection solutions.</p>	<p>AC24.1 Assess priorities, risks and choices in selecting financial protection.</p> <p>AC24.2 Assess the current and future capital and income needs.</p> <p>AC24.3 Evaluate the suitability of product types and options.</p> <p>AC24.4 Identify other planning considerations.</p> <p>AC24.5 Explain the importance of regular reviews.</p>

## Appendix 9 – Unit 9 – Advanced Financial Advice – Retirement Planning Part 1 (AFR1)

This section provides information about the Advanced Financial Advice – Retirement Planning Part 1, including syllabus content, learning outcomes and assessment criteria. AFR1 is a mandatory unit within the DipFA qualification.

### Assessment methodology

The assessment of AFR1 has two components:

- i. An electronic assessment with multiple-choice questions via a 45-minute multiple-choice examination.
  - a. Part 1 with 20 multiple-choice questions (select 1 answer from 4). One mark is available for each correct answer. This component is worth 20 marks.
  - b. Part 2 with 2 case studies with 5 linked multiple-choice questions (select 1 answer from 4). One mark is available for each correctly answered question. This component is worth 10 marks.
- ii. A total of 30 marks are available.
- iii. The unit pass mark is 70% and you must achieve the minimum pass mark for the unit. Higher-level passes are achieved at merit (80%) and distinction (90%) level.

## Learning outcomes and assessment criteria

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:
LO25 Understand the political, economic and social environmental factors which provide the context for pensions planning.	AC25.1 Discuss the role of government in the context of pension planning.  AC25.2 Identify corporate responsibilities, challenges and impact on pension provision.  AC25.3 Explain demographic trends.  AC25.4 Explain the incentives, disincentives and attitudes to saving.  AC25.5 Describe the main scheme types and methods on pension provision.
LO26 Understand how the HMRC taxation regime applies to pensions planning.	AC26.1 Explain the tax treatment of contributions to registered pension schemes.  AC26.2 Describe the tax treatment of pension scheme investment funds.  AC26.3 Explain death benefits before and after crystallisation.  AC26.4 Describe pension scheme retirement benefits.  AC26.5 Explain the annual allowance, lifetime allowance, special annual allowance and associated charges.  AC26.6 Describe the tax treatment of other scheme types.
LO27 Understand the relevant aspects of pensions law and regulation to pensions planning.	AC27.1 Explain the role of the Pensions Regulator and the compliance requirements.  AC27.2 Describe the pension protection schemes.  AC27.3 Explain trust and contract-based pensions.  AC27.4 Explain the role and duties of trustees and administrators.  AC27.5 Discuss the impact of divorce on pensions.

	<p>AC27.6 Explain employment and bankruptcy law in relation to pensions planning.</p> <p>AC27.7 Scams and mis-selling issues.</p>
<p>LO28 Understand the structure, relevance and application of the state schemes to an individual's pension planning.</p>	<p>AC28.1 Describe basic state retirement benefits.</p> <p>AC28.2 Describe additional state retirement benefits, historic and current.</p> <p>AC28.3 Discuss contracting in / out considerations.</p> <p>AC28.4 Explain the Pension Credit framework.</p>

## Appendix 10 – Unit 10 – Advanced Financial Advice – Retirement Planning Part 2 (AFR2)

This section provides information about the Advanced Financial Advice – Retirement Planning Part 2, including syllabus content, learning outcomes and assessment criteria. AFR2 is a mandatory unit within the DipFA qualification.

### Assessment methodology

The assessment of AFR2 has two components:

- i. An electronic assessment with multiple-choice questions via a 45-minute multiple-choice examination.
  - a. Part 1 with 20 multiple-choice questions (select 1 answer from 4). One mark is available for each correct answer. This component is worth 20 marks.
  - b. Part 2 with 2 case studies with 5 linked multiple-choice questions (select 1 answer from 4). One mark is available for each correctly answered question. This component is worth 10 marks.
- ii. A total of 30 marks are available.
- iii. The unit pass mark is 70% and you must achieve the minimum pass mark for the unit. Higher-level passes are achieved at merit (80%) and distinction (90%) level.

## Learning outcomes and assessment criteria

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:
LO29 Understand the structure, characteristics and application of defined-benefit (DB) schemes to an individual's pension planning.	AC29.1 Describe the main attributes and benefits of DB pension provision.  AC29.2 Define the main types, variations and hybrids.  AC29.3 Explain the rules and operations of DB schemes.  AC29.4 Describe funding methods and issues.  AC29.5 Describe the impact of employer covenants.  AC29.6 Explain the roles of trustees and other parties, and scheme reporting.  AC29.7 Explain the factors and benefits on leaving the scheme and on early and normal retirement.  AC29.8 Explain transfer issues and considerations.  AC29.9 Describe the benefits on ill health and death.  AC29.10 Explain eligibility criteria and top-up options.  AC29.11 Explain the scheme options, limitations and restrictions.  AC29.12 Describe public sector schemes.
LO30 Understand the range of defined-contribution (DC) scheme options as they apply to an individual's pension planning.	AC30.1 Explain the main attributes and benefits of DC pension provision.  AC30.2 Explain the legal bases for schemes and the main impacts.  AC30.3 Define the main types of DC schemes and their rules and operation.  AC30.4 Explain contributions – methods and issues.  AC30.5 Evaluate contracting out, rebates and the contracting-out decision.

	<p>AC30.6 Explain the benefits on leaving and death before crystallisation.</p> <p>AC30.7 Explain the death and sickness benefits – options and procedures.</p> <p>AC30.8 Explain the scheme options, limitations and restrictions.</p> <p>AC30.9 Analyse crystallisation options and transfer issues.</p> <p>AC30.10 Describe stakeholder pensions and personal accounts.</p>
<p>LO31 Understand the options and factors to consider for drawing pension benefits.</p>	<p>AC31.1 Evaluate state retirement benefits.</p> <p>AC31.2 Analyse DB schemes.</p> <p>AC31.3 Explain DC schemes and their main features.</p> <p>AC31.4 Analyse phased retirement.</p> <p>AC31.5 Evaluate timing of decisions and implementation.</p> <p>AC31.6 Explain triviality rules.</p>
<p>LO32 Understand the aims and objectives of retirement planning including the investment issues.</p>	<p>AC32.1 Assess and quantify retirement aims and objectives.</p> <p>AC32.2 Evaluate the investment available.</p> <p>AC32.3 Analyse asset allocation factors and their relationship to the overall portfolio.</p> <p>AC32.4 Describe the main characteristics of self-investment.</p> <p>AC32.5 Compare alternative solutions for pension income.</p> <p>AC32.6 Analyse factors affecting regular reviews.</p>

## Appendix 11 – Unit 11 – Advanced Financial Advice – Coursework (AFAC)

This section provides information about the Advanced Financial Advice – Coursework, including syllabus content, learning outcomes and assessment criteria. AFAC is a mandatory unit within the DipFA qualification.

### Assessment methodology

The assessment of AFAC has one component:

- i. A pre-release fact find requiring essay response in a coursework submission.
- ii. A total of 240 marks are available. 200 marks is available for the content element and 40 marks are available for communication.
- iii. The unit pass mark is 50% and you must achieve the minimum pass mark for the unit. Higher-level passes are achieved at merit (60%) and distinction (70%) level.

## Learning outcomes and assessment criteria

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:
LO33 Understand the process of gathering client information for holistic financial planning.	AC33.1 Analyse clients' situations and identify gaps in information.  AC33.2 Synthesise the range of client information.  AC33.3 Identify subjective and objective factors.  AC33.1 Analyse clients' situations and identify gaps in information.  AC33.4 Evaluate clients' needs, wants and values.  AC33.5 Analyse and utilise risk-profiling tools.  AC33.6 Identify any ethical dilemmas and discuss the steps involved in managing these.
LO34 Formulate and communicate holistic financial advice.	AC34.1 Analyse clients' situations and provide financial planning to achieve objectives.  AC34.2 Explain and justify recommendations.  AC34.3 Communicate financial planning effectively to the target audience.  AC34.4 Communicate any ethical considerations effectively to the target audience.
LO35 Create, implement and maintain financial plans.	AC35.1 Create and implement financial plans.  AC35.2 Review and revise the effectiveness of plans and adapt to changes.  AC35.3 Evaluate ethical considerations within the review process

Learning outcomes 33–35 are tested in in the written task alongside learning outcomes 9–32.