

**The London Institute
of Banking & Finance**

LIBF Level 4 Diploma in Paraplanning (DipPP)

Qualification Specification



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Please note: This document is uncontrolled when printed.

Please always review the latest document available through the website.

Purpose of the qualification

Why study LIBF Level 4 Diploma in Paraplanning?

The LIBF Level 4 Diploma in Paraplanning (DipPP) qualification has been designed for those working in Paraplanning and/or aspiring to work in financial advice.

The Diploma in Paraplanning develops general financial services knowledge and explores how the regulatory aspects directly influence the role of a Paraplanner. This qualification will provide the necessary information to support a Paraplanner who is new to the role and to validate the understanding of those already working within the financial services industry.

Objectives

As a comprehensive introduction to the core disciplines of financial services, the qualification develops your knowledge and skills of the financial services market, the impact of the changing regulatory environment and recent developments in financial services products.

The practical aspects of the assessment are designed to enable your development of core industry-required skills, with tasks highlighting the requirements of a Paraplanner. Within this, the qualification provides a solid foundation across the financial services industry, including ethical issues, and demonstrates how different theories are relevant to the practical nature of the Paraplanning role.

Key content areas

- The environment, regulation and legal framework underpinning the UK financial services industry.
- The main financial priorities of consumers and the range of products that could meet these objectives.
- The impact of socioeconomic factors and taxation on consumers.
- The purpose and associated considerations of the different types of financial service product (including protection products, investment products and retirement funding products).
- The research and skills required to support and maintain appropriate client relationships.
- Ethical considerations of working with clients.
- The key skills required to produce a report that is suitable for a financial adviser to present to a client.

Qualification Learning Outcomes

On completing this qualification, you will:

Unit 1 – FSRE

LO	Detail
LO1	Understand the UK financial services industry, in its European and global context.
LO2	Understand how the retail consumer is served by the financial services industry.
LO3	Understand the regulation of financial services.
LO4	Understand the FCA's responsibilities and approach to regulation.
LO5	Understand the principles and rules as set out in the regulatory framework.
LO6	Understand the legal concepts relevant to financial advice.
LO7	Understand the different types of risk and how they relate to institutions and individuals.
LO8	Understand the skills required when advising clients.
LO9	Understand the FCA's principles-based approach to promote ethical behaviour.
LO10	Understand the Code of Ethics and professional standards.
LO11	Understand the differences between ethical and unethical behaviour.

Unit 2 – PARA

LO	Detail
LO1	Understand the UK regulatory environment for the financial services industry.
LO2	Analyse the ethical, legal and vulnerability considerations for financial advisers and financial institutions.
LO3	Apply the influence of taxation and other non-tax laws to the process of advising clients.
LO4	Understand the financial products and services available to clients.
LO5	Evaluate pension options for clients.

LO6	Apply the key skills to ensure suitability for clients in relation to financial services products.
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Key skills developed

The qualification will encourage you to:

- show an appreciation of the financial services environment, regulation, and legal framework underpinning the UK financial services industry;
- understand the main financial priorities of consumers and the range of products available to meet them;
- understand the current technical language, tools, methods and practices to enable effective financial decision-making;
- locate, extract and analyse data from different financial sources;
- learn independently and enhance skills of self-reflection and self-managed study;
- demonstrate competence to produce a suitability report that is fit for purpose;
- produce clear and concise advantages and disadvantages of the options presented in the suitability report;
- provide recommendations with clear justifications and the costs and charges of the different options; and,
- provide an analysis, with a synopsis, of the options available.

Entry requirements

There are no specified entry requirements.

Recognition of Prior Learning (RPL)

The London Institute of Banking & Finance 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 the website.

Progression and preparation for further study

Completion of the Diploma in Paraplanning will allow exemption from Unit 1 of the [Diploma for Financial Advisers \(DipFA®\)](#).

For further information about other qualifications available to you, please click [here](#).

Apprenticeships

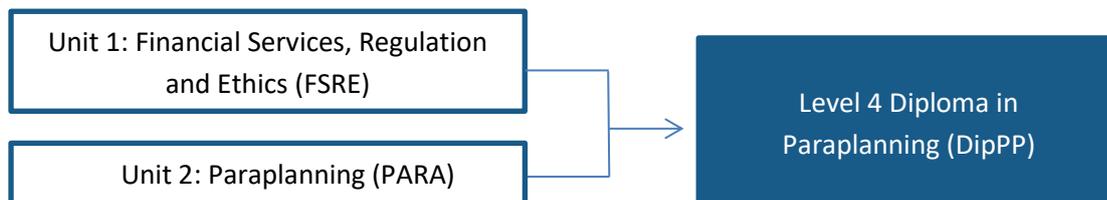
DipPP is not currently available for study through an apprenticeship standard. We are awaiting approval before this is offered.

Preparation for employment

This qualification has been designed for you, if you are working within the financial services industry and would like to broaden your knowledge or if you are aspiring to work within the financial advice industry.

Structure

Level 4 Diploma in Paraplanning (DipPP) comprises two mandatory units which need to be successfully completed to achieve the qualification:



Our course [website](#) can provide more information of each of the modules.

Total Qualification Time (TQT)

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:

- GL is time spent studying under the immediate guidance or supervision of a teacher.
- All other hours include hours spent unsupervised in research, learning, e-learning, e-assessment, completing coursework, completing homework, exam preparation, and formal assessments.

The Diploma in Paraplanning is primarily considered a distance-learning, session-based qualification.

Guided learning hours	20
Other hours	370
Total qualification time	390

Learning resources

You will be provided with the following learning resources:

- online access via **MyLIBF** to learning materials and to KnowledgeBank (e-library);
- specimen assessments;
- coursework exemplars;
- Chief Examiner reports;
- optional access to a tutor supported forum;
- tax table;
- unit syllabuses; and,
- study plan.

What to do before the assessment

On demand examinations are sat electronically at any one of the Pearson VUE test centres. You must register to sit an examination at a centre of your choosing (subject to demand/availability); this is managed by you. It is recommended that you book your exam 3 weeks in advance of the date you wish to sit. However, subject to availability, an examination can be booked as little as 2 working days in advance. Examinations can be booked via the [Pearson VUE website](#) or by [phone](#).

On registration, you will be automatically allocated to a specific coursework session. Coursework is submitted via the course site; once submitted, all assignments are automatically checked by TurnitinUK. TurnitinUK is the leading originality checking and plagiarism prevention service in the world. Guidance on the submission process, TurnitinUK and referencing is provided on the course site.

To prepare for all assessment elements, you should make use of all learning resources.

Assessment

All components and units are mandatory and assessed.

Unit 1 (FRSE): This unit comprises 90 standalone multiple-choice questions (MCQS), and two case studies with 5 multiple-choice questions each. You need to achieve at least 70/100 (70%) to pass this unit.

Unit 2 (PARA): This unit comprises two coursework's worth 50 marks each. You need to achieve at least 25/50 (50%) to pass each coursework element.

The structure of the assessment ensures that all aspects of the course content are subject to external examination.

Qualification grading

The overall qualification will be graded Pass or Fail. To pass you must achieve a minimum mark of 70% in Unit 1 and a minimum mark of 50% in Unit 2 for each piece of coursework.

Feedback is provided for Unit 1 via an analysis sheets (available on www.MyLIBF.com) to see the relative strength of assessment performance.

Feedback is provided for Unit 2 on your individual assignment.

Resit attempts

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 London Institute of Banking & Finance policies.

Appendices

Appendix 1 – Regulation detail

This document describes the regulation detail that is applicable to the qualification.

Qualification title	LIBF Level 4 Diploma in Paraplanning (DipPP)
Ofqual qualification number	603/5399/5
Regulated Qualifications Framework (RQF) level	4
European Qualifications Framework (EQF) level	5
Qualification type	Vocationally-related Qualification
Guided learning hours	20
Total qualification time	390
Total credits	39
Sector subject area (SSA)	15. Business, Administration, Finance and Law
Sub SSA	15.1 Accounting and Finance
Overall grading type	Pass
Assessment methods	Multiple-choice examination and coursework
Regulated in	England
Qualification for ages	16-18; 19+
Operational start date	17/02/2020
Qualification description	LIBF Level 4 Diploma in Paraplanning (DipPP) consists of two mandatory units. A total credit value of 39 must be obtained for achievement of the qualification.

Appendix 2 – Unit 1 - Financial Services, Regulation and Ethics (FSRE)

A description of FSRE that provides detail on syllabus content, learning outcomes and assessment criteria.

Unit profile

The unit introduces knowledge and understanding of financial institutions to enable you to identify the different types of service that they provide. It explains the functions and importance of the main components of the monetary and financial system, enabling you to recognise and appreciate the influences on the financial institutions and markets including financial intermediation and disintermediation. It introduces the concept and nature of risk and factors to the advice process for financial advice and enables you to demonstrate knowledge and understanding of the FCA's approach to ethical and unethical behaviours and develop understanding of the Code of Ethics.

Unit title	Financial Services, Regulation and Ethics (FSRE)
Ofqual unit reference number	Y / 601 / 2801
Unit level	4
Unit credit value	11
Typical study hours	112

Unit 1 assessment method

FSRE has one component:

- i. This unit comprises 90 standalone multiple-choice questions (MCQS), and two case studies with 5 multiple-choice questions each. The examination is to be completed in two hours. The examination is worth 100 marks.

Unit 1 Learning Outcomes/Assessment Criteria

Learning Outcome (LO) The learner when awarded credit for this unit will:	Assessment Criteria (AC) The learner should be able to:
1. Understand the UK financial services industry, in its European and global context.	1.1 describe the role and structure of the UK and international markets. 1.2 describe the role of Government. 1.3 explain the function and operation of financial services within the wider economy. 1.4 explain the impact of the EU on UK regulation.
2. Understand how the retail consumer is served by the financial services industry.	2.1 explain industry obligations towards consumers. 2.2 identify consumers' perception of financial services. 2.3 identify consumers' financial needs and how they are prioritised. 3.4 explain how consumers' financial needs are met.
3. Understand the regulation of financial services.	3.1 describe the role of the FCA, HM Treasury and the Bank of England. 3.2 describe the role of other regulating bodies. 3.3 interpret the Financial Services and Market Act (FSMA) and other relevant legislation. 3.4 describe the role of EU regulations and directives.
4. Understand the FCA's responsibilities and approach to regulation.	4.1 identify the FCA's statutory objectives and the regulatory processes. 4.4 interpret the main principles and rules of the FCA handbook.
5. Understand the principles and rules as set out in the regulatory framework.	5.1 apply the FCA Conduct of Business Sourcebook principles and rules. 5.2 apply the rules and practices of anti-money laundering and proceeds of crime obligations. 5.3 apply the principles and rules of the Data Protection Act. 5.4 explain the complaints procedures and analyse the roles of the FOS and FSCS. 5.5 apply the FCA principles and rules relating to client relationships and adviser responsibilities.

<p>6. Understand the legal concepts relevant to financial advice.</p>	<p>6.1 describe the roles of the legal persons and powers of attorney. 6.2 explain the basic law of contract and agency. 6.3 describe ownership of property. 6.4 explain the impact of insolvency and bankruptcy. 6.5 explain intestacy and the use of wills. 6.6 identify the main types of trusts and their uses. 6.7 explain the process of creating and administering trusts.</p>
<p>7. Understand the different types of risk and how they relate to institutions and individuals.</p>	<p>7.1 interpret legislative, regulatory and organisational requirements and procedures relevant to earnings. 7.2 apply the key features of income tax and National Insurance.</p>
<p>8. Understand the skills required when advising clients.</p>	<p>8.1 evaluate lifelong financial planning through the various life stages.</p>
<p>9. Understand the FCA's principles-based approach to promote ethical behaviour</p>	<p>9.1 analyse The Principles for Businesses. 9.2 identify corporate culture and leadership. 9.3 identify the role of approved persons. 9.4 evaluate the need for integrity, competence and fair outcomes for clients.</p>
<p>10. Understand the Code of Ethics and professional standards</p>	<p>10.1 apply the over-arching Code of Ethics. 10.2 apply the professional principles and values. 10.3 identify ethical dilemmas and the steps involved in managing these.</p>
<p>11. Understand the differences between ethical and unethical behaviour</p>	<p>11.1 evaluate typical behavioural indicators – positive and negative. 11.2 evaluate the outcomes of ethical and unethical behaviour for the industry, the firm, individual advisers and consumers.</p>

Appendix 3 – Unit 2 – Paraplanning (PARA)

A description of PARA that provides detail on syllabus content, learning outcomes and assessment criteria.

Unit profile

You will understand how the broader financial market relates to the role of a Paraplanner. This unit will also enable you to understand the influencing factors for client recommendations and demonstrate the required research and suitability writing skills.

Unit title	Paraplanning (PARA)
Ofqual unit reference number	Y/618/1250
Unit level	4
Unit credit value	28
Typical study hours	278

Unit 2 assessment method

PARA has two components, both of which are worth 50 marks:

- i. PARA 1: You will need to complete a research-based task.
- ii. PARA 2: You will be provided with a fact find with a requirement to produce a suitability letter.

You will need to achieve at least 25/50 (50%) to pass each component.

Unit 2 Learning Outcomes/Assessment Criteria

Learning Outcome (LO) The learner when awarded credit for this unit will:	Assessment Criteria (AC) The learner should be able to:
1. Understand the UK regulatory environment for the financial services industry.	1.1 understand the key influences on the UK financial services industry. 1.2 understand the main aims and activities of the Financial Conduct Authority (FCA). 1.3 demonstrate how the FCA's Conduct of Business Rules apply to the process of advising clients. 1.4 evaluate the FCA's responsibilities and its approach to regulation.
2. Analyse the ethical, legal and vulnerability considerations for financial advisers and financial institutions.	2.1 understand how to interact ethically with clients and identify/work with vulnerable customers. 2.2 analyse key legal concepts relating to the provision of financial advice.
3. Apply the influence of taxation and other non-tax laws to the process of advising clients.	3.1 understand the UK taxation and social security systems and how they affect personal financial arrangements. 3.2 apply how other non-tax laws and regulations are relevant to regulated financial institutions and the process of advising clients.
4. Understand the financial products and services available to clients.	4.1 evaluate how the consumer is served by the UK's financial services industry. 4.2 understand and apply the principles of financial protection for consumers. 4.3 understand financial protection products. 4.4 understand mortgages and related products. 4.5 understand investment products and the platforms available. 4.6 understand the performance of investments. 4.7 evaluate the impact of inflation, interest rates and other relevant socio-economic factors.
5. Evaluate pension options for clients.	5.1 understand pension funding, retirement planning and the relevant HMRC rules. 5.2 evaluate pension vesting.
6. Apply the key skills to ensure suitability for clients in relation to financial services products.	6.1 explain the main priorities of consumers. 6.2 apply the key skills required to produce a report that is suitable for a financial adviser to present to a client. 6.3 understand sales and post-sales processes within the UK financial services industry.

Unit 2 Indicative Content

Unit 2 Indicative Content LOs / ACs	
LO1:	Understand the UK regulatory environment for the financial services industry.
AC1.1	Understand the key influences on the UK financial services industry: <ul style="list-style-type: none"> • Explain the function of the financial services industry in the economy. • Consider the main financial institutions and markets in the UK. • Explain the role of the UK Government and the European Union.
AC1.2	Understand the main aims and activities of the Financial Conduct Authority (FCA): <ul style="list-style-type: none"> • Explain the FCA’s statutory objectives, activities and powers. • Explain the FCA’s principles for businesses and the Senior Managers and Certification Regime (SMCR).
AC1.3	Demonstrate how the FCA’s Conduct of Business Rules apply to the process of advising clients: <ul style="list-style-type: none"> • Understand the rules contained in the Conduct of Business Sourcebook (COBS).
AC1.4	Evaluate the FCA’s responsibilities and its approach to regulation: <ul style="list-style-type: none"> • Explain the regulatory requirements concerning complaints (DISP). • Summarise the role of the Financial Ombudsman Service (FOS). • Evaluate the role of the Pensions Ombudsman. • Analyse the Financial Services Compensation Scheme (FSCS).
LO2:	Analyse the ethical, legal and vulnerability considerations for financial advisers and financial institutions.
AC2.1	Understand how to interact ethically with clients and identify/work with vulnerable customers: <ul style="list-style-type: none"> • Explain the regulatory requirements for providing financial advice. • Summarise the regulatory requirements for ethical behaviour. • Summarise the regulatory requirements for training and competence. • Summarise the appropriate conduct of a client relationship. • Apply the principles of vulnerability to clients and to dealings with identified vulnerable customers.
AC2.2	Analyse key legal concepts relating to the provision of financial advice: <ul style="list-style-type: none"> • Explain the concept of legal persons in compliance with requirements set by the FCA. • Analyse the concept of ownership of assets. • Analyse the concept of capacity to contract. • Analyse powers of attorney. • Explain wills and intestacy. • Explain insolvency and bankruptcy.
LO3:	Apply the influence of taxation and other non-tax laws to the process of advising clients.
AC3.1	Understand the UK taxation and social security systems and how they affect personal financial arrangements: <ul style="list-style-type: none"> • Explain income tax, National Insurance and the different allowances available. • Explain capital gains tax. • Explain inheritance tax.

Unit 2 Indicative Content LOs / ACs	
	<ul style="list-style-type: none"> • Explain the importance of being able to apply the principles of lasting powers of attorney, wills, managing customers who are bereaved and the mechanics of probate. • Demonstrate an understanding of other personal taxes, taxation of trusts and business taxes.
AC3.2	<p>Apply how other non-tax laws and regulations are relevant to regulated financial institutions and the process of advising clients:</p> <ul style="list-style-type: none"> • Understand Consumer Credit legislation. • Evaluate the role of the Pensions Regulator. • Explain the requirements of the General Data Protection Regulation (GDPR).
LO4:	Understand the financial products and services available to clients.
AC4.1	<p>Evaluate how the consumer is served by the UK's financial services industry:</p> <ul style="list-style-type: none"> • Understand the main options for savings and deposits. • Demonstrate an understanding of the purpose of financial protection. • Understand the purpose of mortgages and other loans. • Understand direct investment. • Understand collective investments. • Understand retirement funding options. • Evaluate the different types of risk and how this has an impact on a financial services consumer. • Analyse the impact of a client's attitude to risk and capacity for loss.
AC4.2	<p>Understand and apply the principles of financial protection for consumers:</p> <ul style="list-style-type: none"> • Summarise state benefits. • Apply the relevance of determining existing protection arrangements.
AC4.3	<p>Understand financial protection products:</p> <ul style="list-style-type: none"> • Explain the purpose and considerations of life protection products. • Explain the purpose and considerations of income and health protection. • Explain the purpose and considerations of business protection.
AC4.4	<p>Understand mortgages and related products:</p> <ul style="list-style-type: none"> • Summarise the range of Mortgage solutions. • Summarise the purpose of equity release.
AC4.5	<p>Understand investment products and the platforms available:</p> <ul style="list-style-type: none"> • Explain the range of asset classes and their key features. • Explain cash deposits. • Explain the different forms of individual savings accounts (ISAs). • Explain investment trusts and Exchange Traded Funds (ETFs). • Explain government securities, corporate bonds, Eurobonds and other forms of Fixed Interest investments. • Explain equities. • Explain UK and offshore life assurance products. • Evaluate property as an investment when considering both direct and indirect holdings. • Explain OEICs and unit trusts. • Summarise other investment types. • Be able to apply ethical and social responsibility principles to investments.

Unit 2 Indicative Content LOs / ACs	
AC4.6	<p>Understand the performance of investments:</p> <ul style="list-style-type: none"> Analyse portfolio performance. Perform portfolio reviews and administration. Identify the regulatory requirements in relation to client servicing and reviews.
AC4.7	<p>Evaluate the impact of inflation, interest rates and other relevant socio-economic factors:</p> <ul style="list-style-type: none"> Explain inflation, deflation, and disinflation. Demonstrate an understanding of the impact on consumer arrangements of fixed and variable interest rates. Evaluate the impact that socio-economic factors have on a client's investments. Evaluate the key economic indicators relating to a client's investment and financial arrangements.
LO5:	Evaluate pension options for clients.
AC5.1	<p>Understand pension funding, retirement planning and the relevant HMRC rules:</p> <ul style="list-style-type: none"> Summarise state pension provision. Explain occupational pensions. Explain personal pensions. Explain pension death benefits. Explain HMRC rules governing pension and retirement planning.
AC5.2	<p>Evaluate pension vesting:</p> <ul style="list-style-type: none"> Evaluate pension options at retirement. Explain HMRC rules in relation to pension vesting and retirement benefits.
LO6:	Apply the key skills to ensure suitability for clients in relation to financial services products.
AC6.1	<p>Explain the main priorities of consumers:</p> <ul style="list-style-type: none"> Define consumer's goals, needs and objectives. Evaluate budgeting and affordability assessment. Explain the need for financial protection. Evaluate the consumer implications of borrowing and debt. Explain the concepts of risk and reward. Apply the concepts of investments and saving. Explain provisions for retirement planning. Explain the need for estate planning. Explain the concept of tax planning.
AC6.2	<p>Apply the key skills required to produce a report that is suitable for a financial adviser to present to a client:</p> <ul style="list-style-type: none"> Demonstrate competence to be able to produce a suitability report that is fit for purpose. Develop and implement research skills to enable a considered approach to presenting a clear and concise suitability report. Evaluate clear and concise advantages and disadvantages of the options presented in the suitability report. Provide an analysis, with a synopsis, of the options available to a client. Provide recommendations with clear justifications, together with the costs and charges for the different options stated. Understand all the systems and processes required to perform the role of a Paraplanner.

Unit 2 Indicative Content

LOs / ACs

	<ul style="list-style-type: none">• Demonstrate an awareness of how these processes fit within financial organisations and the wider financial services industry.• Evaluate the importance of CPD to remain up to date with all investment products available.
AC6.3	<p>Understand sales and post-sales processes within the UK financial services industry:</p> <ul style="list-style-type: none">• Explain the sales process in the context of financial services.• Identify client information required for financial advice and financial reviews and how this can be obtained.• Demonstrate how to collate and interpret client information.• Evaluate the affordability and suitability of a proposed solution using cash-flow modelling.• Perform the match of appropriate financial solutions with different client needs.• Perform clear presentation of financial and non-financial solutions to clients.• Explain the importance of ongoing financial reviews.• Understand the provisions of the FCA rules relating to the Fair Treatment of Customers.