

# **LIBF Level 3 UK Financial Regulation (UKFR)**

Qualification Specification



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**Please Note:** uncontrolled document when printed.

Please always review the latest document available through our website.

## Purpose of the qualification

### Why study the LIBF Level 3 UK Financial Regulation qualification (UKFR)?

The UK Financial Regulation (UKFR) qualification will prepare you for work or further study by developing your knowledge and understanding of the core financial services industry.

UKFR is primarily designed if you are aged 19+. Students aged 16-18 are also eligible to study this qualification, for example through an apprenticeship.

### Objectives

As a comprehensive introduction to the UK Financial Regulation qualification, UKFR develops specialist knowledge and skills by introducing you to the purpose and structure of the UK financial services industry. Within this, it provides a solid introduction to the financial sector, by exploring the rules and regulations that govern the sector and the social-economic factors that impact on personal financial plans.

### Key content areas

- Purpose and structure of the UK financial services industry.
- Financial Conduct Authority (FCA's) main aims and activities.
- Rules and regulations and the FCA's approach to regulating firms and individuals.
- The main asset classes, financial services products and areas of financial advice.
- The impact of socio-economic factors on personal financial plans.

### Qualification learning outcomes

On completing this qualification, you will:

#### Unit 1

LO	Detail	Assessment criteria
LO1	The structure and regulation of the UK financial services industry, asset classes and the interaction between the types of financial services products and clients' requirements.	1 2
LO2	The main asset classes and features of financial services products, and the main financial advice areas.	3 4
LO3	The process of giving financial advice, the basic legal concepts, and the basic UK tax and benefits system.	5 6 7
LO4	The impact of inflation, interest rate volatility and other socio-economic factors	8

	relating to personal financial plans.	
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## Unit 2

LO	Detail	Assessment criteria
LO5	Identify the role of oversight groups, the requirements of the regulator and other laws relating to the provision of advice.	3
LO6	The non-tax laws, regulations and codes of conduct features of the regulator's Conduct of Business Rules and how they apply to clients.	2 6
LO7	The regulator approach to regulation and how the rules affect the control and structures of firms.	4 5
LO8	How anti-money laundering regulations apply.	7
LO9	The main features of rules for dealing with complaints and how the Data Protection Act affects the provision of financial advice.	8 9

### Key skills developed

The qualification will encourage you to:

- develop an understanding of how financial products respond to the drivers and implications of changes in the wider environment and how these changes affect an individual's financial decision-making;
- demonstrate numeracy skills, including the ability to manipulate financial and other numerical data;
- use appropriate data and information from a range of sources to make financial decisions; and
- increase your ability to work and learn independently.

### Entry requirements

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

### Recognition of prior learning

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 our [website](#).

### Progression and preparation for further study

If you wish to achieve a license to practice as a Mortgage Adviser, UKFR forms part of the Certificate in Mortgage Advice and Practice (CeMAP®).

As a free-standing qualification, UKFR provides a platform for continued study within the financial services sector and a wide range of other business-related disciplines.

### **Apprenticeships**

UKFR appears in both the Financial Services Administrator and the Compliance /Risk Officer apprenticeship standards.

While underpinning these apprenticeship standards, the UKFR was designed to provide a solid foundation in financial regulation that underpins employment in many fields within the financial sector. This foundation of knowledge is appropriate to a wider range of opportunities than would be found within any single apprenticeship standard.

Further details can be found on the [Government website](#).

### **Preparation for employment**

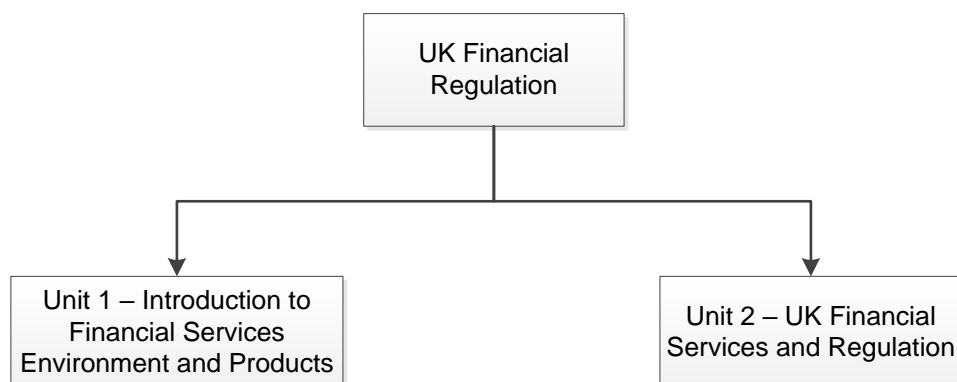
This qualification develops knowledge and understanding of financial services regulation and enhances skills that are valued within that sector and others.

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. You may also apply the financial skills that you have developed to other careers or study options.

If you are seeking to continue in education, UKFR provides a foundation for further study in business and finance-related disciplines.

## Structure

UKFR is made up of **two mandatory units** which need to be successfully completed to achieve the award:



### Module 1 - UKFR

**Unit 1:** Introduction to Financial Services Environment and Products (ITFS)

**Unit 2:** UK Financial Services and Regulation (UKFS)

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

## 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:

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

UKFR is primarily considered as a distance learning qualification with on-demand examination sessions.

Guided Learning Hours	2 hours
Other hours	86 hours
Total Qualification Time	88 hours

## Learning resources

Students are provided with the following learning resources:

- Hard copy and online copy of the study text
- Online access via **My LIBF** to learning materials and to KnowledgeBank (virtual library)
- Weekly study planner
- Syllabus updates
- Tax table

In addition to the study texts supplied, you can purchase additional study support, provided in the form of:

- Specimen examination papers
- CeMAP® Revision Tool (CRT) (Unit 1 applicable only)
- Ask The Experts (online tutor support)

## What to do before the assessment

You must be registered to sit an examination at a centre of your choice; managed by you. Examinations are sat electronically at any one of the 150 Pearson VUE test centres across the UK.

It is recommended that exams are booked two months 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 over the [phone](#) or via the [Pearson VUE website](#).

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

## Assessment

All components and units are mandatory and assessed.

### Module 1 - UKFR

**Unit 1:** This unit comprises 50 stand-alone multiple-choice questions (MCQs). You need to achieve at least 35/50 (70%) to pass this unit.

**Unit 2:** This unit comprises 50 stand-alone multiple-choice questions (MCQs). You need to achieve at least 35/50 (70%) to pass this unit.

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 only. However, you will be able to achieve passes at merit level and distinction level within each unit of UKFR as follows:

Grade	Pass mark (%)
Pass	70%
Pass (at merit level)	80%
Pass (at distinction level)	90%

Feedback is provided in your analysis sheets (available on [www.mylibf.ac.uk](http://www.mylibf.ac.uk)) for each unit to see a breakdown of your assessment performance.

## Re-sit attempts

As UKFR comprises two units; you will only need to re-sit the unit in which you were unsuccessful. There are no restrictions on the number of times you can re-sit a unit although each re-sit will require a new registration.



## Appendices

### Appendix 1 – Regulation detail

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

<b>Qualification title (RQF)</b>	LIBF Level 3 UK Financial Regulation (UKFR)
<b>Ofqual qualification number</b>	603/0476/5
<b>Qualification level</b>	3
<b>European Qualifications Framework (EQF) level</b>	4
<b>Qualification Type</b>	Occupational Qualification
<b>Regulation start date</b>	15 September 2016
<b>Operational start date</b>	15 September 2016
<b>Assessment available in English</b>	Yes
<b>Assessment available in Welsh</b>	No
<b>Assessment available in Irish</b>	No
<b>Sector subject area</b>	15.1 Accounting and Finance
<b>Total credits</b>	9
<b>Minimum credits at / above level</b>	9
<b>Guided learning hours</b>	2
<b>Total qualification time</b>	88 hours
<b>Overall grading type</b>	Pass
<b>Assessment methods</b>	Multiple-choice examination
<b>Qualification description</b>	The UK Financial Regulation qualification consists of two mandatory units. A total credit value of 9 must be obtained for achievement of the qualification.

## Appendix 2 – Unit 1 – Introduction to Financial Services Environment and Products (ITFS)

This unit introduces you to the financial services industry by focusing on the structure of the UK financial services industry and the interaction between the types of financial services products and clients' requirements.

You will gain an understanding of the main asset classes and features of financial services products along with an appreciation of the UK tax and benefits system. You will gain an appreciation of the process of giving financial advice along with the legal concepts relevant in financial advice.

<b>Unit title</b>	Unit 1: Introduction to Financial Services Environment and Products (ITFS)
<b>Ofqual unit reference number</b>	L / 501 / 8715
<b>Unit level</b>	3
<b>Unit credit value</b>	5
<b>Typical study hours</b>	50

### Unit 1 assessment methodology

- i. The assessment of Unit 1 will have one component:
  - a. 50 multiple-choice questions. This component of the examination is to be completed in one hour. This component of the examination is worth 50 marks.

## Unit 1 Assessment Criteria / Assessment Content

<b>Assessment criteria</b> The learner when awarded credit for this unit will understand:		<b>Assessment content</b> The learner will be assessed on the following areas:
1 The purpose and structure of the UK financial services industry	U1.1 U1.2 U1.3	The function of the financial services industry in the economy – transferring funds between individuals, businesses and government The main institutions/organisations – markets, retail institutions, wholesale institutions, market participants. The role of the EU and of the UK government – regulation, taxation, economic and monetary policy, provision of welfare and benefits
2 The main financial asset classes and their characteristics	U2.1 U2.2 U2.3 U2.4	Cash deposits and money market instruments Government securities and corporate bonds and Eurobonds Equities Real estate – residential and commercial
3 The main financial services product types and their functions	U3.1 U3.2 U3.3 U3.4 U3.5	Direct investment – cash, government securities and corporate bonds, equities and property, commercial money market instruments, enterprise investment schemes (EIS), venture capital trusts (VCT) Collective investments – structure, tax and charges – OEICs/unit trusts, investment trusts, life assurance contracts, offshore funds, structured products Mortgages and other secured and unsecured loans, bridging finance – personal and commercial Tax incentivised savings Life, health and general financial protection
4 The main financial advice areas	U4.1 U4.2 U4.3 U4.4 U4.5 U4.6 U4.7	Budgeting Protection Borrowing and debt Investment and saving Retirement planning Estate planning Tax planning and offshore considerations
5 The process of giving financial advice, including the importance of regular reviews of the consumer's circumstances	U5.1 U5.2 U5.3 U5.4 U5.5 U5.6 U5.7	The nature of the client relationship, confidentiality, trust and consumer protection Assessing attitude to risk Factors determining how to match solutions with consumer needs and demands Assessing affordability and suitability The effective use of communication skills in giving advice and how to adapt advice to customers with different capacities and needs The importance of monitoring and review of consumers' circumstances The Information for consumers must be given under current regulatory requirements

6 The basic legal concepts relevant in financial advice	U6.1 U6.2 U6.3 U6.4 U6.5 U6.6 U6.7	Legal persons – individuals, wills, intestacy, personal representatives (and administration of estates), trustees, companies, limited liabilities, partnerships Contract, capacity to contract Agency Real estate, personal property and joint ownership Power of attorney, and substituted decision making Insolvency and bankruptcy Identifying potential scams/notifying and reporting of scams/awareness of the impact of scams
7 The UK taxation and social security systems and how they affect personal financial circumstances	U7.1 U7.2 U7.3 U7.4 U7.5 U7.6 U7.7 U7.8 U7.9	Concept and importance of residency/domicile/reciprocal tax treaties UK Income tax system – liability to income tax, allowances, reliefs, rates, employed and self-employed income, priorities for taxing different classes of income Capital gains tax – liability to CGT, disposals, death, deductions, losses, main reliefs and exemptions, basic calculation of chargeable gains Inheritance tax – liability to IHT, main exemptions, calculation of IHT liabilities Corporation tax Stamp duty on securities, including real estate and real estate funds Taxation of investments and property National insurance State benefits and HMRC Tax Credits
8 The impact of inflation, interest rate volatility and other relevant socio-economic factors on personal financial plans	U8.1 U8.2 U8.3	Definition and common measure of inflation, deflation, disinflation and relevant indices The difference types of interest rates and what factors they impact over time Economic cycles/market volatility

## Appendix 3 – Unit 2 – UK Financial Services and Regulation (UKFS)

### Unit narrative

This unit introduces you to the regulation of UK financial services and the interplay between regulation and legislation. It highlights the role of the Financial Conduct Authority and Prudential Regulation with regard to regulating firms and individuals. You will also gain an insight into other financial services regulations and codes of conduct which are relevant to the process of advising clients.

### Unit profile

<b>Unit title</b>	Unit 2: UK Financial Services and Regulation (UKFS)
<b>Ofqual unit reference number</b>	R / 501 / 8716
<b>Unit level</b>	3
<b>Typical study hours</b>	38

### Unit 2 assessment methodology

- i. The assessment of Unit 2 will have one component:
  - a. 50 multiple-choice questions. This component of the examination is to be completed in one hour. This component is assessed out of 50 marks.

## Unit 2 learning outcomes / assessment criteria

Learning outcome (LO) The learner when awarded credit for this unit will understand:		Assessment criteria (AC) Assessment of the LOs will require a learner to demonstrate that they can understand:
1 The main aims and activities of the Financial Conduct Authority (FCA)/PRA and their requirements for ethical conduct by firms and individuals	K1.1 K1.2 K1.3 K1.4 K1.5 K1.6	The role, activities and statutory objectives of the FCA/PRA Key features of the FCA's principles for businesses The approach to, and requirements for the fair treatment of customers, conduct risk and customer outcomes Arrangements, systems and controls for senior managers Authorisation, supervision, appointed representatives and the fit and proper test for senior managers/certified persons under the approved persons (APER) or Code of Conduct (COCON) as appropriate The prevention of financial crime including market abuse insider dealing and whistle blowing
2 How legislation (other than tax legislation) and regulations impact upon firms and the process of advising clients	K2.1 K2.2 K2.3 K2.4 K2.5 K2.6	UK legislation and EU directives The role of relevant Government departments including the Treasury HM Revenue and Customs, Department of Work & Pensions, (Ministry of Justice, CMCs) and National Crime Agency. The role of the Competition and Markets Authority (CMA) The Pensions Regulator (TPR's) rules with respect to occupational pension schemes Unfair contract terms and Consumer Rights Act The role of guidance services including statutory and third sector guidance services
3 The role of oversight groups and other influencing bodies	K3.1 K3.2	Internal and external auditors, trustees and compliance Codes of conduct, professional bodies and trade associations
4 The regulator's approach to regulating firms and individuals	U1.1 U1.2 U1.3 U1.4	Authorisation of firms, regulated activities & regulated investments, firms' status Capital adequacy and liquidity Regulatory approaches to supervision Discipline and enforcement including notification requirements and Statements of Professional Standing (SPSs) as appropriate
5 How the regulator's rules affect the control structures of firms and their relationship with the regulator	U2.1 U2.2 U2.3	Approved persons and controlled functions Reporting and record keeping Training and competence rules

<p>6 How the regulator's Conduct of Business Rules apply to the process of advising clients/customers</p>	<p>U3.1 U3.2 U3.3 U3.4 U3.5 U3.6 U3.7 U3.8 U3.9 U3.10 U3.11 U3.12 U3.13</p>	<p>Advertising and financial promotion rules Types of customer Terms of business and client agreements Status of advisers and status disclosure to customers Suitability of advice Advice and know your customer rules/robo-advice Execution only sales, appropriateness and insistent clients Fees, charges and commissions Cooling off and cancellation, reflective periods Product disclosure and risk disclosure statements Regulatory rules for mortgage advice (MCOB) – status disclosure, initial disclosure document, charges, suitability, product disclosure, cancellation Regulatory rules for general insurance advice (ICOB) – status disclosure, initial disclosure document, charges, suitability, product disclosure, cancellation Banking Conduct of business (BCOB) and Payment Services Directive</p>
<p>7 How the Anti-Money Laundering regulations apply to dealings with clients/customers</p>	<p>U4.1 U4.2 U4.3 U4.4 U4.5 U4.6 U4.7 U4.8 U4.9</p>	<p>Definition of financial crime and proceeds of crime Money laundering regulations Money laundering offences and the Terrorism Act Client identification procedures and credit reference agencies Record keeping requirements Reporting procedures, Training requirements The role of the Financial Action Task Force Anti Bribery and Corruption</p>
<p>8 The main features of the rules for dealing with complaints and compensation</p>	<p>U5.1 U5.2 U5.3 U5.4 U5.5 U5.6</p>	<p>Consumer rights and remedies, including awareness of their limitations Firms' internal complaints procedures The Financial Ombudsman Service (FOS) The Financial Services Compensation Scheme (FSCS) The Pension Ombudsman The Pension Protection Fund</p>
<p>9 The role of the Information Commissioner's Office (ICO)</p>	<p>U6.1 U6.2 U6.3</p>	<p>Definitions in the Data Protection Act The data protection principles Enforcement of the Data Protection Act</p>