



# PRIVATE CLIENT INVESTMENT ADVICE & MANAGEMENT (PCIAM)

## ALTERNATIVE ASSESSMENT

Recognised in CP 10/14 by the FSA as an Appropriate Examination for

- Advising on and dealing in securities
- Advising on packaged products

In CP 10/14 (June 2010) the CISI's alternative assessment is the only alternative assessment to appear on the approved list of Appropriate Examinations for the Retail Distribution Review (RDR).

Existing authorised advisers who pass PCIAM will have a 94% fit with the new examination standards and therefore will need to undertake only a modest amount of structured learning CPD in order to comply fully with the RDR requirements.

### The Chartered Institute for Securities & Investment (CISI) and private client wealth management examinations

The CISI offers a range of high quality investment qualifications that enable individuals to achieve competence and high-level expertise in order to foster strong and sustainable careers.

Building and maintaining professionalism and trust underpin all the activities that the CISI provides for its students and members.

The CISI evolved from the individual membership department of the London Stock Exchange and has always offered higher level qualifications for retail private client advisers and wealth managers.

The PCIAM syllabus is annually updated by practitioners for practitioners, and the examination and alternative assessment are both assessed by practitioners.

### Benefits for individuals

- ✓ Meets FSA requirements for a transitional qualification, announced as part of the RDR
- ✓ Minimal structured learning CPD needs to be added to comply fully with the RDR
- ✓ A robust alternative to the traditional written exam with the same quality assurance
- ✓ A competency interview and presentation enable existing advisers to build on their professional experience in order to demonstrate competence
- ✓ Examination can be held on employer's premises

### Benefits for employers

- ✓ Enables firms to have full confidence in staff meeting new RDR requirements, based on long-standing PCIAM exam
- ✓ Offers an alternative for those who have not taken an exam for some time
- ✓ Minimal structured learning hours to complete the top-up to full RDR compliance

### Who should study for the Certificate in Private Client Investment Advice & Management Alternative Assessment?

Existing, FSA authorised advisers seeking to comply with the RDR, who prefer an assessment based more on their professional experience and competence rather than on the traditional written PCIAM examination. Candidates completing this have the satisfaction of knowing that they have met the same high standards as colleagues who have completed the written version.

### Meeting the RDR requirements

Under the FSA's RDR, investment advisers will be required to have a level of qualification higher than the current level 3 benchmark.

The alternative assessment of the Certificate in Private Client Investment Advice & Management meets this requirement. The existing written version of the Certificate in Private Client Investment Advice & Management is already accredited by the qualifications regulator, Ofqual, as a level 6 qualification and is also recognised by the Financial Services Skills Council and the FSA.

Successful completion of the alternative assessment enables existing advisers to fill the minimal gaps between the new RDR-appropriate exam standards and the qualification through structured learning (Continuing Professional Development).

## Structured learning CPD top-up

The CISI has conducted a thorough comparison of the appropriate exam standards and the PCIAM syllabus. The results show the match is extensive, with a 94% overlap with the core, thus only requiring minimal CPD top-up. Further details of the top-up required for specialised advisers in, for example, packaged products can be found at [cisi.org/rdrcpd](http://cisi.org/rdrcpd)

## Ofqual accredited

The CISI has been recognised as an Awarding Body by Ofqual, so both individuals and firms can be assured that the CISI's processes, policies and systems meet rigorous quality assurance standards. The **Certificate in Private Client Investment Advice & Management** has been accredited by Ofqual as a stand-alone qualification at level 6.

## Summary Syllabus

### Learning Outcome 1

#### FINANCIAL ADVICE WITHIN A REGULATED ENVIRONMENT

Assess the implications of the UK legal and regulatory framework as they apply to the provision of private client investment advice.

- ✓ FSMA 2000
- ✓ MiFID and CRD
- ✓ The FSA's Principles and Conduct of Business Rules
- ✓ Treating Customers Fairly

### Learning Outcome 2

#### INVESTMENT TAXATION

Assess the impact of taxation on the evaluation of investments and the provision of investment advice.

- ✓ Income tax
- ✓ Capital gains tax
- ✓ Inheritance tax
- ✓ Offshore tax

### Learning Outcome 3

#### FINANCIAL MARKETS

Evaluate the relevance of market-related factors that can influence investment decisions, processes and advice.

- ✓ World financial markets
- ✓ UK financial markets

### Learning Outcome 4

#### TRUSTS AND TRUSTEES

Understand the principles and key features of trusts and the law governing their creation and management.

- ✓ Trusts and trust legislation
- ✓ Taxation of trusts

### Learning Outcome 5

#### FINANCIAL INSTRUMENTS AND PRODUCTS

Differentiate between the investment asset classes, financial instruments, products and schemes that are available in the UK in terms of key features, potential risk and reward, pricing and market availability.

- ✓ Bank and building society savings accounts
- ✓ National Savings & Investments
- ✓ Government and corporate debt
- ✓ Share capital
- ✓ Financial derivatives
- ✓ Unit trusts and OEICs
- ✓ Exchange-traded funds
- ✓ Investment trusts
- ✓ ISAs and child trust funds
- ✓ Private equity schemes
- ✓ Life assurance and protection products
- ✓ Pensions provision and eligibility

### Learning Outcome 6

#### PRINCIPLES OF FINANCIAL ADVICE

Recommend suitable investment products for individual customers.

- ✓ Fiduciary, ethical and regulatory responsibilities
- ✓ Client objectives and constraints
- ✓ Investment strategies

### Learning Outcome 7

#### INVESTMENT PERFORMANCE AND REVIEW

Evaluate investment performance and review portfolio requirements in response to market movements and customer requirements.

## How is the alternative assessment structured?

### Candidate application

Candidates must complete an application form giving essential details, including authorisation status.

Applications can be made to [rdr@cisi.org](mailto:rdr@cisi.org) from 1 July 2010.

### Written submission

Candidates will be required to complete a written submission in order to demonstrate professional competency against designated learning outcomes (1-5) and their associated assessment criteria at level 6.

The written submission will be evaluated by an independent assessor to ascertain whether the candidate has provided sufficient evidence to suggest that they have understood the demands of the assessment. If this is not the case, feedback will be provided and the candidate will be able to resubmit the written submission on payment of an additional fee of £250.

### Interview

Candidates will be required to attend a two-hour interview which will consist of two parts:

- ✓ Competency interview: candidates will be asked a number of questions to demonstrate competence against designated learning outcomes (1-5) and the associated assessment criteria.
- ✓ Case study presentation: Candidates select an unseen case study. There will be a choice of a case study focusing mainly on packaged products, and one focusing mainly on securities. Candidates have 20 minutes to prepare an initial 10 minute presentation, which will consist of their analysis of the key issues in the case study. Candidates will then be questioned for a further 25 minutes during which they will be expected to demonstrate competence against designated learning outcomes (6 and 7), integrating theory and practice.

## Are there any entry requirements?

Candidates must be established retail practitioners who are FSA-authorized and working in the industry (CF30). We recommend you have sufficient experience to draw upon in making your submission.

## How can I study for the qualification?

Formal training is available through CISI accredited training providers. The CISI accredits providers that can demonstrate that they can deliver high quality training and support candidates preparing to sit CISI exams. For more details, please visit [cisi.org/atp](http://cisi.org/atp).

The recommended **minimum** study and preparation time for the alternative assessment of the **Certificate in Private Client Investment Advice & Management** is 200 hours for an experienced, authorised adviser.

## Where can I sit the Alternative Assessment?

For candidates in London, the assessments will normally take place at the CISI headquarters in Eastcheap, although arrangements will be made for firms who wish the assessment to take place on their premises, and who can meet the conditions for an appropriate venue. Candidates outside London will normally sit at their firm's headquarters, subject to appropriate arrangements being made.

## How do I register for the Certificate in Private Client Investment Advice & Management?

- Step 1 Complete an application and booking form
- Step 2 Pay a registration fee of £250
- Step 3 Complete the written submission
- Step 4 On receipt of confirmation that your submission is accepted, pay the assessment fee of £1,500
- Step 5: Complete a Qualifications Registration Form (QRF) at [cisi.org/qrf](http://cisi.org/qrf)

Applications can be made to [rdr@cisi.org](mailto:rdr@cisi.org) from 1 July 2010.

Since its launch, Brewin Dolphin has promoted PCIAM as a test of an individual's ability to apply broad investment knowledge to practical scenarios in order to provide suitably tailored, narrated solutions. This is, after all, how the real world works.

*Bruce Herrington ACSI, Senior Competency Manager  
Brewin Dolphin*

## PCIAM and progression to Chartered membership of the CISI

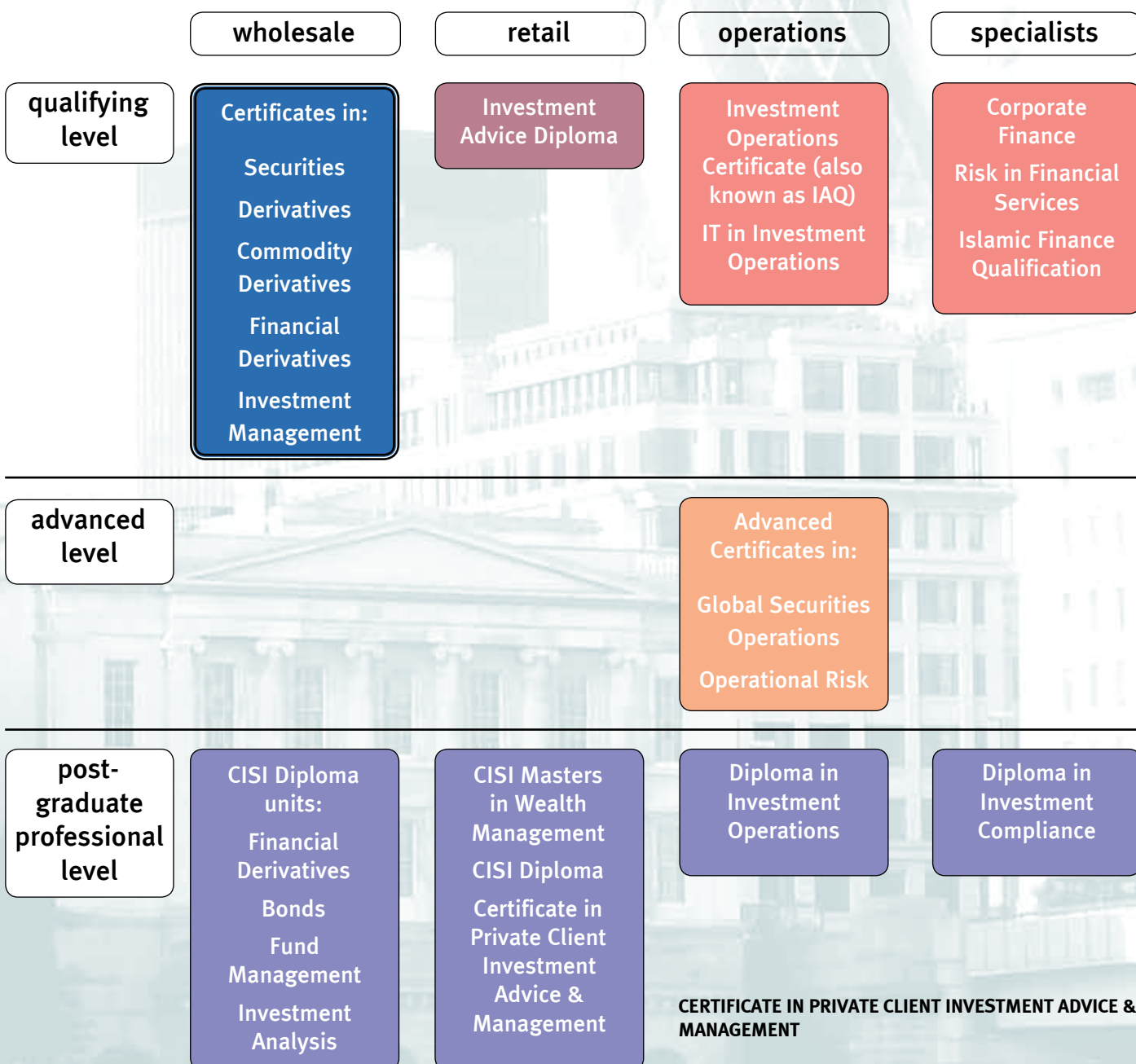
As the **Certificate in Private Client Investment Advice & Management** is a level 6 qualification, it enables successful candidates to proceed immediately to full membership (MCSI) of the CISI. Following this, candidates need to complete only 3 years CPD, and pass the CISI **IntegrityMatters** elearning test to proceed to Chartered Fellowship of the CISI, the ultimate pinnacle of professionalism, only open to those who have completed a CISI level 6/7 qualification.

Candidates will automatically be registered as student members of the CISI if they do not already hold membership.

For more information on membership visit [cisi.org/membership](http://cisi.org/membership)

For more information on CPD visit [cisi.org/cpd](http://cisi.org/cpd)

## The CISI Qualifications Summary



### CERTIFICATE IN PRIVATE CLIENT INVESTMENT ADVICE & MANAGEMENT

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