

# Securities advice and dealing

## Purpose

At the end of this unit, candidates should be able to demonstrate an understanding of:

- the features and risks of different securities;
- the structure and features of the securities market;
- relevant factors and considerations for appropriate investment recommendations.

Summary of learning outcomes	Number of questions in the examination*
1. Analyse the characteristics, features, behaviours and risks of securities and equities in the context of the market for these products	39
2. Understand the structure, features, and regulatory and trading environment of the securities market	9
3. Apply dealing principles and practice relevant to client investment activity	3
4. Understand clearing, settlement and custody principles and practice relevant to client investment activity	4
5. Assess the factors that influence market behaviour relevant to investment advice	5
6. Apply the relevant factors and considerations to decide and implement appropriate investment recommendations	15 case study related questions

\* The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

## Important notes

- Method of assessment: 60 multiple choice questions (MCQs) and 3 case studies, each comprising 5 MCQs. 2 hours are allowed for this examination.
- This syllabus will be examined from 1 September 2024 to 31 August 2025.
- Candidates will be examined on the basis of English law and practice in the tax year 2024/2025 unless otherwise stated.
- It should be assumed that all individuals are domiciled and resident in the UK unless otherwise stated.
- This PDF document has been designed to be accessible with screen reader technology. If for accessibility reasons you require this document in an alternative format, please contact us on [online.exams@cii.co.uk](mailto:online.exams@cii.co.uk) to discuss your needs.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
  1. Visit [www.cii.co.uk/qualifications](http://www.cii.co.uk/qualifications)
  2. Select the appropriate qualification
  3. Select your unit from the list provided
  4. Select qualification update on the right hand side of the page

- 1. Analyse the characteristics, features, behaviours and risks of securities and equities in the context of the market for these products**
  - 1.1 Analyse the characteristics, features, behaviours and risks of debt securities.
  - 1.2 Analyse the characteristics, features, behaviours and risks of equities.
  - 1.3 Explain the characteristics, features, behaviours and risks of the main competing asset classes and onshore/offshore investment products.
- 2. Understand the structure, features, and regulatory and trading environment of the securities market**
  - 2.1 Describe the key features of the main trading markets.
  - 2.2 Describe the role, structure and regulation of the global securities market.
- 3. Apply dealing principles and practice relevant to client investment activity**
  - 3.1 Apply dealing principles and practice.
- 4. Understand clearing, settlement and custody principles and practice relevant to client investment activity**
  - 4.1 Explain the principles and practices of clearing, settlement and custody.
- 5. Assess the factors that influence market behaviour relevant to investment advice**
  - 5.1 Assess the factors that influence investment markets and the movement of individual securities.
- 6. Apply the relevant factors and considerations to decide and implement appropriate investment recommendations**
  - 6.1 Analyse the full range of objective and subjective client information and the different investment options.
  - 6.2 Recommend appropriate investment options and/or asset allocations.

## Reading list

The following list provides details of further reading which may assist you with your studies.

**Note: The examination will test the syllabus alone.**

The reading list is provided for guidance only and is not in itself the subject of the examination.

The resources listed here will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

### CII study text

Investment principles and risk. London: CII. Study text R02.

Securities advice & dealing. London: CII. Study text J12.

### Books (and ebooks)

A practitioner's guide to MiFID II. 3rd ed. Jonathan Herbst. London: Sweet and Maxwell, 2018.

Mastering financial calculations: a step-by-step guide to the mathematics of financial market instruments. 3rd ed. Bob Steiner. Harlow: FT Prentice Hall, 2012. \*

The Financial Times guide to investing. 4th edition. Glen Arnold. FT Prentice Hall, 2020.

Understanding commercial property investment: a guide for financial advisers. Investment Property Forum, December 2017. Available online via [www.ipf.org.uk/resourceLibrary/understanding-uk-commercial-property-investments-a-guide-for-financial-advisers--december-2017-.html](http://www.ipf.org.uk/resourceLibrary/understanding-uk-commercial-property-investments-a-guide-for-financial-advisers--december-2017-.html).

### Journals and magazines

Financial adviser. London: FT Business. Weekly. Available online at [www.ftadviser.com](http://www.ftadviser.com).

Personal finance professional. London: CII. Four issues a year. Available online at [www.pfp.thepfs.org/sections/access-digital-magazine](http://www.pfp.thepfs.org/sections/access-digital-magazine) (CII/PFS members only).

Investment adviser. London: Financial Times Business. Weekly. Available via [www.ftadviser.com](http://www.ftadviser.com).

Investment week. London: Incisive Financial Publishing. Weekly. Available online via [www.investmentweek.co.uk](http://www.investmentweek.co.uk).

\* Also available as an eBook through eLibrary via [www.cii.co.uk/elibrary](http://www.cii.co.uk/elibrary) (CII/PFS members only).

Investor's chronicle. London: Financial Times Business. Weekly. Available at [www.investorschronicle.co.uk](http://www.investorschronicle.co.uk).

Money management. London: FT Business. Monthly. Available online [www.ftadviser.com/brand/money-management](http://www.ftadviser.com/brand/money-management).

Further articles and technical bulletins are available at [www.cii.co.uk/learning/learning-content-hub](http://www.cii.co.uk/learning/learning-content-hub) (CII/PFS members only).

### **Reference materials**

International dictionary of banking and finance. John Clark. Hoboken, New Jersey: Routledge, 2013. \*

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2013. \*

### **Examination guide**

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate ([ciigroup.org/login](http://ciigroup.org/login)). Details of how to access Revisionmate are on the first page of your study text. It is recommended that you only study from the most recent version of the examination guide.

### **Exam technique/study skills**

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.