



Chartered
Insurance
Institute

J07

Diploma in Financial Planning

Unit J07 – Supervision in a regulated environment

February 2026 examination

SPECIAL NOTICE

Candidates are expected to be aware of the FCA rules and guidance regarding training and competence, conduct of business and complaints handling as contained within the relevant sourcebooks.

Unit J07 – Supervision in a regulated environment

Instructions to candidates

Read the instructions below before answering any questions

- **Two hours** are allowed for this paper which consists of 15 short answer questions and carries a total of 130 marks.
- You are strongly advised to attempt all questions to gain maximum possible marks. The number of marks allocated to each question part is given next to the question and you should spend your time in accordance with that allocation.
- Read carefully all questions and information provided before starting to answer. Your answer will be marked strictly in accordance with the question set.

Subject to providing sufficient detail you are advised to be as brief and concise as possible, using note format and short sentences on separate lines wherever possible.

Attempt ALL questions**Time: 2 hours****ENSURE YOU ANSWER EACH QUESTION IN THE CORRECT ANSWER BOX**

1. Identify **four** high level competencies that may be used to measure management performance. (4)

2. (a) Identify and describe briefly the principal elements of the three lines model. (6)
(b) Identify **four** instances where direct supervision would be appropriate for an employee in a financial services company. (4)

3. Johan works for Baudin, a financial advisory firm that has recently been struggling with declining market share and employee morale. The company's structure is siloed in regional offices and is resistant to change. Johan has been tasked to implement a transformation programme to improve collaboration and regain a competitive edge.

Identify the first **six** steps, using Kotter's model, that Johan needs to take to successfully lead this transformation. For **each** step, explain an action relevant to Baudin. (12)

4. State **four** advantages and **four** disadvantages of using a face-to-face meeting for communication. (8)

5. (a) List the **three** requirements that must be considered when conducting a fit and proper assessment. (3)
(b) State when a fit and proper assessment should be completed for in-scope employees. (3)

ENSURE YOU ANSWER EACH QUESTION IN THE CORRECT ANSWER BOX

6. (a) Define briefly **each** of the following and provide an example of how this could be conducted:
- (i) Recruitment. (2)
 - (ii) Selection. (2)
- (b) List **four** examples of why recruitment is required to meet a business's needs. (4)
7. (a) State **three** sources of training needs that may arise within a firm. (3)
- (b) State the **four** features of a training needs analysis (TNA). (4)
8. Identify and describe briefly the **five** stages of the PESOS coaching model. (10)
9. In relation to a manager using indirect evidence to make decisions on their team member's competence, state **four**:
- (a) advantages; (4)
 - (b) disadvantages. (4)
10. List **ten** Principles for Businesses, excluding acting with Integrity and Consumer Duty. (10)
11. A company plans to implement a new customer management system which will centralise all customer data and intends to use this data to develop targeted marketing campaigns.
- Identify and explain the **three** most relevant data protection principles that the company should consider. For **each** of these, provide an example of a specific action the company should take. (9)

