

# LIBF

Part of Walbrook  
Institute London

**LIBF Level 6**

**Diploma in Advanced Financial Advice  
(Adv DipFA®)**

Qualification specification



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## Purpose of the qualification

Why study the LIBF Level 6 Diploma in Advanced Financial Advice (Adv DipFA®)

The Adv DipFA® builds on existing Level 4 qualifications and equips you with the expertise needed to provide complex financial advice and planning services to customers. Developed in consultation with working professionals in the financial advice sector and feedback from employers, the Level 6 Diploma in Advanced Financial Advice enables you to differentiate yourself and develop skills to provide advice for a range of areas.

Completion of the Adv DipFA® can lead to a Chartered Designation awarded by LIBF.

### Objectives and key content areas

To provide the knowledge and skills to offer a sophisticated financial service to customers and to contribute to developing and managing the strategic aims of your organisation.

Throughout the programme, you will understand:

- the environment of wealth management with a focus on the range of financial products that may be used to develop a client's portfolio which meets their needs and aspirations;
- how a variety of financial products and concepts may be applied to build and consolidate a client's portfolio;
- the current technical language, tools, methods and practices of wealth management, which encompass financial analysis and the preparation and interpretation of financial data for effective decision-making within the context of wealth management;
- financing arrangements, financial management and the governance structures of wealth management; and
- contemporary theories, empirical evidence and concepts relating to wealth management, and how these apply in a practical work environment.

### Key skills developed

The qualification will encourage students to:

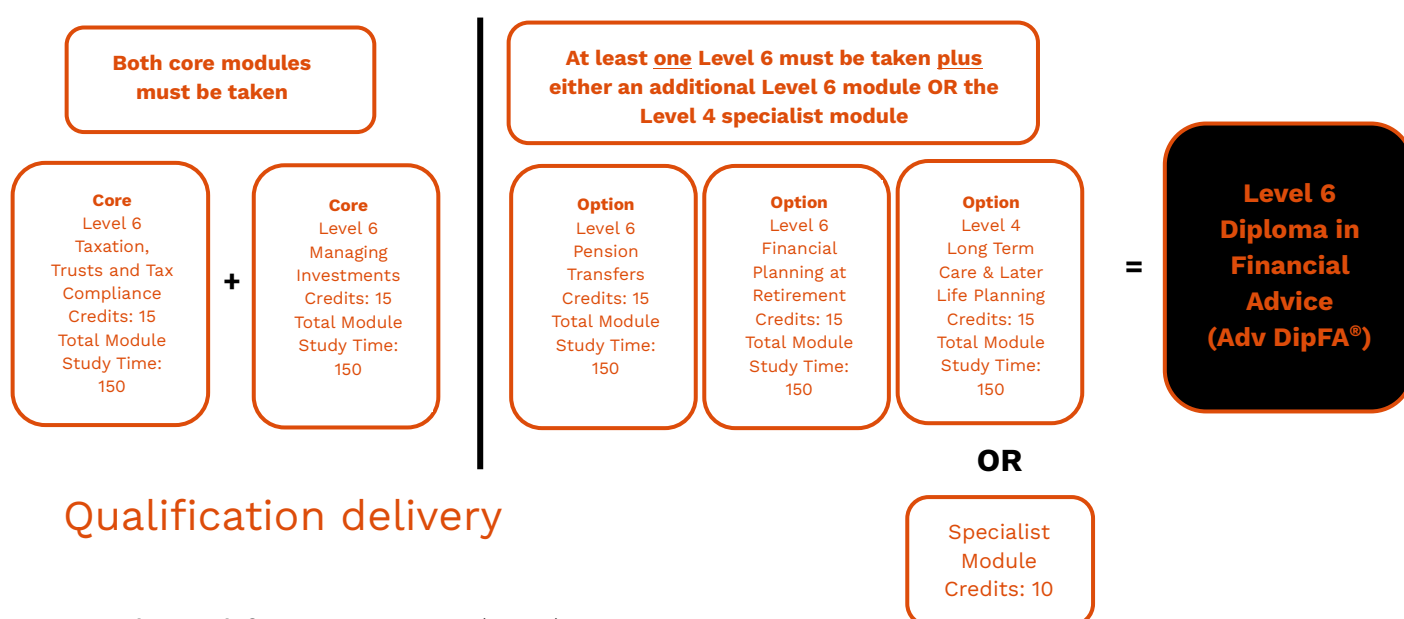
- apply theory to the working environment;
- analyse problems, identify solutions and make clear decisions;

- communicate solutions to complex problems in a clear manner; and
- work and study independently.

## Structure

The structure of the Adv DipFA® comprises five modules of which **four** modules must be completed to achieve the rule of combination (RoC). Taxation, Trusts and Tax Compliance and Managing Investments are core modules. The remaining credits can be achieved through study of at least one further Level 6 modules and either the Level 4 Long Term Care & Later Life Planning module or a specialist module. A specialist module must be a minimum of Level 4 and carry a minimum of 10 credits and can be based on, but not limited to, any of the following specialist financial advice areas in keeping with the aims of the overall qualification (ie to increase depth of knowledge and increase breadth of specialist knowledge): mortgages, derivatives, securities, business finance and discretionary fund management.

A minimum of 55 credits **must** be attained by completing a combination of the two core modules and at least one further Level 6 module and either LTCP or a Specialist module.



## Qualification delivery

### 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 qualification.

TQT consists of two elements, Guided Learning (GL) and all other hours:

- Guided Learning (GL) comprises study time under direct teacher supervision, encompassing instructional sessions and supervised examinations.

- All other hours include hours spent unsupervised in research, learning, e-learning, e-assessment, completing coursework, exam preparation, and formal assessments.

The LIBF Level 6 Adv DipFA® is primarily considered a self directed study and session-based qualification. The minimum advised TQT is:

Guided Learning Hours	8 hours
Other hours	542 hours
Total Qualification Time	550 hours

## Assessment

Within each module, all components are mandatory and assessed.

For TTTC, you will be assessed by a 90-minute examination and a timed assessment. The pass mark for each component is 50%.

For MANI, you will be assessed by a 90-minute examination and a timed assessment. The pass mark for each component is 50%.

For FPIR, you will be assessed by a 90-minute examination and a timed assessment. The pass mark for each component is 50%.

For PETR, you will be assessed by two 90-minute examinations. The pass mark for each component is 50%.

For CertLTCP, there is a multiple-choice (MCQ) examination. The examination consists of a combination of standalone MCQs and case studies with attached MCQs and has a pass mark of 70%.

## Preparing for the assessment

Examinations are sat electronically at any one of the Pearson VUE test venues worldwide or via Remote Invigilation in permitted locations where you can sit your assessment remotely. You must be registered to sit an examination at a test venue of your choosing (subject to demand/availability); this is managed by you. It is recommended that you book your exam three weeks 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 via the Pearson VUE website or by phone. Please visit the Pearson VUE website for further information.

To prepare for the assessment you should make use of all learning resources as part of your revision for the exam.

## Qualification grading

The overall qualification will be graded Pass / Fail only.

Feedback is provided via analysis sheets available on [MyLIBF](#), to see your strengths and areas to develop.

## Resit attempts

The qualification has a twelve-month registration period. 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 policies of LIBF.

## Additional information

### Entry requirements

Entry to the Adv DipFA® is available to holders of the Level 4 qualifications approved by the FCA for the provision of financial advice. The Adv DipFA® may be undertaken by those qualified to provide a wide range of advice and is not limited to those that advise on 'packaged products'.

You should also be confident in your ability to study the mathematical elements of the course along with your ability to study in English.

### Recognition of prior learning

LIBF 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

Successfully completing the Level 6 Adv DipFA® can lead to Chartered status with LIBF. Applicants for Chartered status must have at least three years' relevant work experience. Achieving and maintaining Chartered status is a mark of professional standing that recognises academic achievement, an ongoing dedication to professional development and a commitment to the highest ethical and business standards.

## Preparation for employment / professional development

This qualification furthers knowledge and enhances skills that are valued within the financial services sector and others.

## Appendices

### Appendix 1 – Taxation, Trusts and Tax Compliance (TTTC)

Appendix 1 provides a description of TTTC and syllabus which includes the learning outcomes and assessment criteria for each unit.

#### TTTC assessment methodology

##### Written examination

90-minute examination comprising written questions worth a total of 50 marks. 50% weighting.

##### Timed assessment

Learners will be provided with a pre-released fact find to familiarise themselves with. A series of questions will be provided to learners on a set date and time. Learners will have 4 hours to complete this assessment and submit their responses – 50% weighting.



## Taxation, Trusts and Tax Compliance 1 – Learning outcomes and assessment criteria

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:	
1. Evaluate how to advise UK clients of taxation and trust implications	1.1	Analyse approaches to personal tax liabilities from a UK taxpayer's perspective <ul style="list-style-type: none"> <li>• The UK taxation system in respect of individuals and trusts</li> <li>• Residence and domicile</li> <li>• Taxation implications of foreign income</li> </ul>
	1.2	Analyse the impact of taxation on investment strategies <ul style="list-style-type: none"> <li>• Types of investment or other activities that increase tax-efficiency</li> <li>• Tax planning measures</li> </ul>
	1.3	Analyse inheritance taxation strategies <ul style="list-style-type: none"> <li>• Reliefs</li> <li>• Exempt transfers</li> <li>• Lifetime gifts</li> <li>• Transfer of business assets</li> <li>• Use of trusts</li> </ul>
	1.4	Analyse trust classifications <ul style="list-style-type: none"> <li>• The law of trusts</li> <li>• Statutory trusts, express trusts, implied / resulting trusts, constructive trusts, public / private trusts, fixed-interest trusts, discretionary trusts</li> </ul>
	1.5	Analyse the duties and powers of trustees <ul style="list-style-type: none"> <li>• Role, eligibility, and appointment and removal of trustees</li> <li>• Powers of trustees</li> <li>• General and fiduciary duties of trustees</li> </ul>

## Taxation, Trusts and Tax Compliance 2 – Learning outcomes and assessment criteria

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:	
2. Evaluate how to advise UK clients ethically and on the administration of trusts	2.1	Critically evaluate trust accounts for composition and valuation <ul style="list-style-type: none"> <li>• The principal trusts for which accounting is required</li> <li>• The principles of accounting for trust and distribution statements</li> <li>• How trustees and personal representatives should value assets</li> </ul>
	2.2	Evaluate tax compliance for trusts. <ul style="list-style-type: none"> <li>• CGT, IHT, lifetime transfers, reliefs</li> <li>• The tax trust regime</li> <li>• Capital taxation and penalties</li> </ul>
	2.3	Apply regulation and legislation to trustees. <ul style="list-style-type: none"> <li>• Interpretations of statutes</li> <li>• EU legislation</li> <li>• International legislation and regulatory framework</li> </ul>
	2.4	Justify advice given to clients focusing on ethical considerations <ul style="list-style-type: none"> <li>• Current issues in personal taxation including anti-avoidance legislation</li> <li>• Legal considerations and the role of the trusted adviser</li> <li>• Social responsibility and taxation</li> <li>• Communicating with HMRC</li> <li>• The scope of philanthropic investment and the extent to which the client is involved in the scheme</li> </ul>

## Appendix 2 – Managing Investments (MANI)

Appendix 2 provides a description of MANI and syllabus which includes the learning outcomes and assessment criteria for the unit.

### MANI assessment methodology

#### Written examination

90-minute examination comprising written questions worth a total of 50 marks. 50% weighting.

#### Timed assessment

Learners will be provided with a pre-released fact find to familiarise themselves with. A series of questions will be provided to learners on a set date and time. Learners will have 4 hours to complete this assessment and submit their responses – 50% weighting.

## Managing Investments 1 – Learning outcomes and assessment criteria

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will be able to:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:	
1. Analyse the uses of and principles and theories associated with investments	1.1	Analyse economic factors that can impact on investment management <ul style="list-style-type: none"> <li>• Supply and demand</li> <li>• Costs</li> <li>• Economies and diseconomies of scale</li> <li>• Perfect competition, monopoly and oligopoly</li> <li>• Sector/industry assessment methods</li> <li>• Inequality of information</li> </ul>
	1.2	Analyse the measurement of return <ul style="list-style-type: none"> <li>• Inflation and investment returns – nominal and real</li> <li>• Simple interest</li> <li>• Compound interest</li> <li>• The effect of compound interest</li> <li>• The time value of money</li> <li>• Present and future value</li> </ul>
	1.3	Critically evaluate the approaches to, and principles of, performance measurement <ul style="list-style-type: none"> <li>• Total return</li> <li>• Money- and time-weighted returns</li> <li>• Benchmarking and relative performance</li> <li>• Risk-adjusted returns</li> <li>• Attribution analysis</li> <li>• Actual v relative performance</li> <li>• Market indices</li> <li>• The application of indices in financial markets</li> </ul>
	1.4	Critically evaluate portfolio theory <ul style="list-style-type: none"> <li>• Portfolio styles and theory – CAPM, diversification, hedging, use of derivatives.</li> <li>• Asset class correlation</li> <li>• Total return – beta, alpha and risk-adjusted</li> <li>• Behavioural finance – market and individual behaviours</li> </ul>

	1.5	Analyse the structure, risk profile and uses of the main investment vehicles <ul style="list-style-type: none"><li>• Deposits</li><li>• Shares</li><li>• Property</li><li>• Bonds</li><li>• Life assurance</li><li>• Collective investments</li></ul>
	1.6	Analyse the structure, risk profile and uses of the main alternative and higher-risk investments <ul style="list-style-type: none"><li>• Penny shares</li><li>• Enterprise investment schemes</li><li>• Venture capital trusts (VCTs)</li><li>• Derivatives</li><li>• Structured products</li><li>• Risks of investing in foreign and emerging markets</li></ul>

## Managing Investments 2 – Learning outcomes and assessment criteria

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will be able to:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:	
2. Analyse how to manage investment portfolios to achieve client objectives	2.1	Critically evaluate variables that establish and restrict how a client's investment portfolio objectives may be achieved <ul style="list-style-type: none"> <li>Assessing the client's current investment portfolio</li> <li>Establishing and clarifying client objectives and income requirements</li> <li>Identifying and confirming the client's attitude to risk</li> </ul>
	2.2	Analyse the tax implications of investment products <ul style="list-style-type: none"> <li>Cash</li> <li>Bonds</li> <li>Shares</li> <li>Property</li> <li>Collective investments</li> <li>Life assurance</li> <li>Derivatives</li> <li>Enterprise investment schemes</li> <li>Venture capital trusts</li> <li>Structure products</li> <li>The use of tax wrappers</li> <li>The use of trusts</li> </ul>
	2.3	Analyse the appropriateness of discretionary and non-discretionary portfolio management <ul style="list-style-type: none"> <li>Contractual and regulatory differences between discretionary and non-discretionary portfolio management</li> <li>Reporting requirements</li> <li>Understanding of mandates and limits of authority</li> <li>Fiduciary responsibilities according to portfolio management style</li> </ul>
	2.4	Interpret and critically compare financial ratios <ul style="list-style-type: none"> <li>Earnings dividends per share</li> <li>Price/earnings ratio</li> <li>Price/earnings growth ratio</li> <li>Earnings before interest, taxes, depreciation and amortization (EBITDA).</li> <li>Return on capital employed (ROCE)</li> </ul>

		<ul style="list-style-type: none"> <li>• Quick ratio</li> </ul>
	2.5	<p>Interpret financial analysis and information sources</p> <ul style="list-style-type: none"> <li>• Periodic reporting by issuers</li> <li>• Ad hoc announcements</li> <li>• News services – RNS, PIPS and SIPS</li> <li>• Investment research and sales notes</li> <li>• Financial journalism</li> <li>• Transparency obligations of shareholders</li> </ul>
	2.6	<p>Assess the approach taken in meeting client objectives</p> <ul style="list-style-type: none"> <li>• Communication approaches and client reporting</li> <li>• Building a persuasive case</li> <li>• Conflicts of interest and ethics</li> </ul>
	2.7	<p>Apply regulation and legislation relevant to the financial adviser and related firms</p> <ul style="list-style-type: none"> <li>• Regulatory restrictions</li> <li>• Review and control</li> </ul>

### Appendix 3 – Pension Transfers (PETR)

The PETR unit descriptions and syllabuses can be found within the AwPETR qualification specification.

### Appendix 4 – Financial Planning in Retirement (FPIR)

The FPIR unit descriptions and syllabuses can be found within the FPIR qualification specification.

### Appendix 5 – Certificate in Long Term Care and Later Life Planning (CertLTCP)

The CertLTCP unit descriptions and syllabuses can be found within the CertLTCP qualification specification.