

# LIBF

Part of Walbrook  
Institute London

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

Qualification specification



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## 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.

### Objectives and key content areas

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 personal financial plans.

Throughout the programme, you will understand the:

- 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;
- main asset classes, financial services products and areas of financial advice; and
- impact of socio-economic factors on personal financial plans.

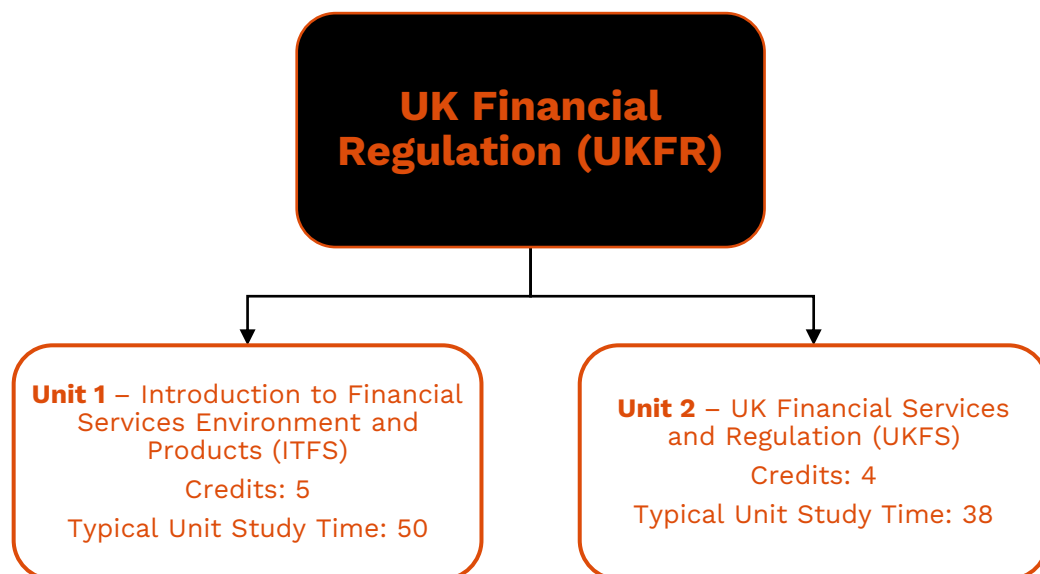
### Key skills developed

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.

## Structure

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



## 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 3 Certificate in UK Financial Regulation is primarily considered as a distance learning qualification with planned examination sessions.

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

## 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.

## Preparing for the assessment

Your exam for each unit will be delivered via our platform Brightspace, which is where you access your course materials. You can take your exam any time with remote invigilation. There's no need to book in advance.

Before starting your exam, you will be expected to pick up your laptop/webcam to do a full 360-degree scan of your testing space. You must therefore ensure that your equipment is in full working order and can be easily manoeuvred.

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 is graded Pass/Fail only. To achieve a pass, you must achieve a mark of 70% in each unit. Higher-level passes are identified as pass at Merit/Distinction level.

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

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

## Re-sit 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.

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## Additional information

### 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

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

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 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.

## Appendices

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

Appendix 1 provides a description of Unit 1 (ITFS) and syllabus which includes the learning outcomes, assessment criteria and indicative content for the unit.

#### Unit 1 assessment methodology

The assessment of Unit 1 will have one component:

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 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 The purpose and structure of the UK financial services industry	<p><b>U1.1</b> The function of the financial services industry in the economy – transferring funds between individuals, businesses and government</p> <p><b>U1.2</b> The main institutions/organisations – markets, retail institutions, wholesale institutions, market participants.</p> <p><b>U1.3</b> The role of the EU and of the UK government – regulation, taxation, economic and monetary policy, provision of welfare and benefits. The function of the financial services industry in the economy – transferring funds between individuals, businesses and government.</p>
2 The main financial asset classes and their characteristics	<p><b>U2.1</b> Cash deposits and money market instruments.</p> <p><b>U2.2</b> Government securities and corporate bonds and Eurobonds.</p> <p><b>U2.3</b> Equities.</p> <p><b>U2.4</b> Real estate – residential and commercial.</p>
3 The main financial services product types and their functions	<p><b>U3.1</b> Direct investment – cash, government securities and corporate bonds, equities and property, commercial money market instruments, enterprise investment schemes (EIS) and venture capital trusts (VCT).</p> <p><b>U3.2</b> Collective investments – structure, tax and charges – OEICs / unit trusts, investment trusts, life assurance contracts, offshore funds and structured products. Investment platforms. Environmental, social and governance (ESG) – Sustainable finance. Crypto assets- exchange token, utility tokens and distribution, ledger technology.</p> <p><b>U3.3</b> Mortgages and other secured and unsecured loans, bridging finance, personal and commercial loans.</p> <p><b>U3.4</b> Tax incentivised savings.</p> <p><b>U3.5</b> Life, health and general financial protection.</p>
4 The main financial advice areas	<p><b>U4.1</b> Budgeting.</p> <p><b>U4.2</b> Protection.</p> <p><b>U4.3</b> Borrowing and debt.</p> <p><b>U4.4</b> Investment and saving.</p>

	<p><b>U4.5</b> Retirement planning.</p> <p><b>U4.6</b> Estate planning.</p> <p><b>U4.7</b> Tax planning and offshore considerations.</p>
5 The process of giving financial advice, including the importance of regular reviews of the consumer's circumstances	<p><b>U5.1</b> The nature of the client relationship, confidentiality, trust and consumer protection</p> <p><b>U5.2</b> Assessing attitude to risk</p> <p><b>U5.3</b> Factors determining how to match solutions with consumer needs and demands</p> <p><b>U5.4</b> Assessing affordability and suitability</p> <p><b>U5.5</b> The effective use of communication skills in giving advice and how to adapt advice to customers with different capacities and needs</p> <p><b>U5.6</b> The importance of monitoring and review of consumers' circumstances</p> <p><b>U5.7</b> The Information for consumers must be given under current regulatory requirements</p>
6 The basic legal concepts relevant in financial advice	<p><b>U6.1</b> Legal persons – individuals, wills, intestacy, personal representatives (and administration of estates), trustees, companies, limited liabilities, partnerships</p> <p><b>U6.2</b> Contract, capacity to contract</p> <p><b>U6.3</b> Agency</p> <p><b>U6.4</b> Real estate, personal property and joint ownership</p> <p><b>U6.5</b> Power of attorney, and substituted decision making</p> <p><b>U6.6</b> Insolvency and bankruptcy</p> <p><b>U6.7</b> Identifying potential scams/notifying and reporting of scams/awareness of the impact of scams</p>
7 The UK taxation and social security systems and how they affect personal financial circumstances	<p><b>U7.1</b> Concept and importance of residency/domicile/reciprocal tax treaties</p> <p><b>U7.2</b> UK Income tax system – liability to income tax, allowances, reliefs, rates, employed and self-employed income, priorities for taxing different classes of income</p> <p><b>U7.3</b> Capital gains tax – liability to CGT, disposals, death, deductions, losses, main reliefs and exemptions, basic calculation of chargeable gains</p> <p><b>U7.4</b> Inheritance tax – liability to IHT, main exemptions, calculation of IHT liabilities</p>

	<p><b>U7.5</b> Corporation tax</p> <p><b>U7.6</b> Stamp duty on securities, including real estate and real estate funds</p> <p><b>U7.7</b> Taxation of investments and property</p> <p><b>U7.8</b> National insurance</p> <p><b>U7.9</b> State benefits and HMRC Tax Credits</p>
8 The impact of inflation, interest rate volatility and other relevant socio-economic factors on personal financial plans	<p><b>U8.1</b> Definition and common measure of inflation, deflation, disinflation and relevant indices</p> <p><b>U8.2</b> The difference types of interest rates and what factors they impact over time</p> <p><b>U8.3</b> Economic cycles/market volatility</p>

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

Appendix 2 provides a description of Unit 2 (UKFS) and syllabus which includes the learning outcomes, assessment criteria and indicative content for the unit.

### Unit 2 assessment methodology

The assessment of Unit 2 will have one component:

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 and assessment criteria

Learning outcome (LO)	Assessment criteria (AC)
The learner when awarded credit for this unit will:	Assessment of the LOs will require a learner to demonstrate that they can:
1. The main aims and activities of the Financial Conduct Authority (FCA)/PRA and their requirements for ethical conduct by firms and individuals	<p><b>K1.1</b> The role, activities and statutory objectives of the FCA/PRA</p> <p><b>K1.2</b> Key features of the FCA's principles for businesses</p> <p><b>K1.3</b> The approach to, and requirements for the fair treatment of customers, conduct risk and customer outcomes</p> <p><b>K1.4</b> Arrangements, systems and controls for senior managers</p> <p><b>K1.5</b> 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</p> <p><b>K1.6</b> The prevention of financial crime including market abuse insider dealing and whistle blowing</p>
2. How legislation (other than tax legislation) and regulations impact upon firms and the process of advising clients	<p><b>K2.1</b> UK legislation and EU directives</p> <p><b>K2.2</b> The role of relevant Government departments including the Treasury HM Revenue and Customs, Department of Work &amp; Pensions, (Ministry of Justice, CMCs) and National Crime Agency</p> <p><b>K2.3</b> The role of the Competition and Markets Authority (CMA)</p> <p><b>K2.4</b> The Pensions Regulator (TPR's) rules with respect to occupational pension schemes</p> <p><b>K2.5</b> Unfair contract terms and Consumer Rights Act</p> <p><b>K2.6</b> The role of guidance services including statutory and third sector guidance services</p>
3. The role of oversight groups and other influencing bodies	<p><b>K3.1</b> Internal and external auditors, trustees and compliance</p> <p><b>K3.2</b> Codes of conduct, professional bodies and trade associations</p>
4. The regulator's approach to regulating firms and individuals	<p><b>U1.1</b> Authorisation of firms, regulated activities &amp; regulated investments, firms' status</p> <p><b>U1.2</b> Capital adequacy and liquidity</p>

	<p><b>U1.3</b> Regulatory approaches to supervision</p> <p><b>U1.4</b> Discipline and enforcement including notification requirements and Statements of Professional Standing (SPSs) as appropriate</p>
5. How the regulator's rules affect the control structures of firms and their relationship with the regulator	<p><b>U2.1</b> Approved persons and controlled functions</p> <p><b>U2.2</b> Reporting and record keeping</p> <p><b>U2.3</b> Training and competence rules</p>
6. How the regulator's Conduct of Business Rules apply to the process of advising clients/customers	<p><b>U3.1</b> Advertising and financial promotion rules</p> <p><b>U3.2</b> Types of customer</p> <p><b>U3.3</b> Terms of business and client agreements</p> <p><b>U3.4</b> Status of advisers and status disclosure to customers</p> <p><b>U3.5</b> Suitability of advice</p> <p><b>U3.6</b> Advice and know your customer rules/robo-advice</p> <p><b>U3.7</b> Execution only sales, appropriateness and insistent clients</p> <p><b>U3.8</b> Fees, charges and commissions</p> <p><b>U3.9</b> Cooling off and cancellation, reflective periods</p> <p><b>U3.10</b> Product disclosure and risk disclosure statements</p> <p><b>U3.11</b> Regulatory rules for mortgage advice (MCOB) – status disclosure, initial disclosure document, charges, suitability, product disclosure, cancellation</p> <p><b>U3.12</b> Regulatory rules for general insurance advice (ICOB) – status disclosure, initial disclosure document, charges, suitability, product disclosure, cancellation</p> <p><b>U3.13</b> Banking Conduct of business (BCOB) and Payment Services Directive</p>
7. How the Anti-Money Laundering regulations apply to dealings with clients/customers	<p><b>U4.1</b> Definition of financial crime and proceeds of crime</p> <p><b>U4.2</b> Money laundering regulations</p> <p><b>U4.3</b> Money laundering offences and the Terrorism Act</p> <p><b>U4.4</b> Client identification procedures and credit reference agencies</p> <p><b>U4.5</b> Record keeping requirements</p> <p><b>U4.6</b> Reporting procedures</p>

	<b>U4.7</b> Training requirements <b>U4.8</b> The role of the Financial Action Task Force <b>U4.9</b> Anti Bribery and Corruption
8. The main features of the rules for dealing with complaints and compensation	<b>U5.1</b> Consumer rights and remedies, including awareness of their limitations <b>U5.2</b> Firms' internal complaints procedures <b>U5.3</b> The Financial Ombudsman Service (FOS) <b>U5.4</b> The Financial Services Compensation Scheme (FSCS) <b>U5.5</b> The Pension Ombudsman <b>U5.6</b> The Pension Protection Fund
9. The role of the Information Commissioner's Office (ICO)	<b>U6.1</b> Definitions in the Data Protection Act <b>U6.2</b> The data protection principles <b>U6.3</b> Enforcement of the Data Protection Act

Document Control	
<b>Version number:</b>	10
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<b>Summary of changes:</b>	Change to the preparing for assessment section to reflect the change from Pearson Vue to assessments being sat through Brightspace, remotely.