

Subject P6 Investment UK Practice Module

Syllabus

for the 2009 Examinations

1 June 2008

**The Faculty of Actuaries and
Institute of Actuaries**

Subject P6 — Investment UK Practice Module Syllabus

Aim

The aim of this module is to provide a knowledge of the UK business practice, regulation, legislation and professional guidance notes relevant to the work of an actuary practising in Investment in the UK.

The Core Reading for the Investment Specialist part of this module is contained within the Core Reading for Subject SA6 — Investment Specialist Applications. There is separate Core Reading for the generic part of this module.

Part A: Generic

This part is generic module P0 and may be taken on its own with a 45 minute test.

1. Know and understand the purpose and structure of UK financial services industry and regulations.
2. Know and understand the FSA's regulatory powers and their impact upon firms and individuals, including how the FSA's rules affect the control structures of firms and their relationship with the FSA and its approach to ethical conduct by firms and individuals.
3. Identify key organisations, institutions and people in the industry and the roles they play in the provision of financial services products.
4. Know and understand the role of the main consumer protection bodies in UK financial services.
5. Explain what is meant by advice, including monitoring and review arrangements, and state the rules that apply to the different types of advice.
6. Know and apply the basic principles of business ethics and integrity.
7. Know and understand the requirements of the major codes of practice relevant to retail financial services.
8. Know and understand the nature of business fees and commission.
9. Know and understand the rules, regulations and procedures relating to the handling of client money.
10. Apply the main requirements of the Data Protection Act 1998, anti money laundering regulations, Conduct of Business Rules, Proceeds of Crime Act 2002 and the laws of agency and contract in dealing with customers.
11. Know and understand the FSA's complaints handling requirements.

12. Know and understand the main features of the FSA's policy regarding financial promotions.
13. Understand the concepts and principles underpinning insurance contracts.
14. Know and understand the FSA's requirements relating to market abuse.
15. Know and apply the principles of asset ownership to retail financial services.
16. Know and understand the importance of financial planning and describe the factors that affect financial needs throughout life.
17. Understand and apply the principles and concepts of risk associated with financial planning.
18. Be aware of the purpose of the professional guidance for actuaries contained in the Professional Conduct Standards and the Guidance Notes.

Part B: Investment Specialist

1. Know and understand the characteristics of the principal investment assets and the markets in such assets covering the main equity, bond, commodity and derivative markets.
2. Know how an institutional investor might provide funds for the finance of a property investment or development.
3. Know and understand the main features of the historic behaviour of markets and indices and discuss their relationships to each other and to price and earnings inflation.
4. Know the legislative and regulatory framework for investment management and the securities industry, including:
 - The framework of self-regulation in the investment industry.
 - How members of the actuarial profession are regulated in the conduct of investment business under the Financial Services and Markets Act 2000.
 - The circumstances under which actuaries require authorisation under the Financial Services and Markets Act 2000.

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5. Know the taxation of investments for typical investors in the UK, including:
 - individual investor
 - health and care insurer
 - life insurance company
 - general insurance company
 - pension scheme
6. Describe the requirements of the professional guidance relevant to actuaries practising in or advising in the investment field.
7. Be aware of any proposed changes in legislation or professional guidance that will affect the work undertaken or advice given by actuaries practising in the investment field, and their expected effective date of implementation.
8. Understand the investment needs of particular investors, in particular:
 - the investment requirements and regulatory constraints for key institutional investors
 - the appropriate investments for an individual investor
 - the risks faced by investors and how an investor's risk profile is determined
9. Know and understand the principal techniques in portfolio management including risk control techniques, performance assessment, overall management of assets to meet the investors' liabilities.
10. Understand the asset liability matching requirements and be aware of appropriate strategies in relation to the following institutions in the UK:
 - health and care insurer
 - life insurance company
 - general insurance company
 - pension scheme

End of Syllabus