



Institute  
and Faculty  
of Actuaries

# **Subject P0 Generic UK Practice Half Module**

## **Syllabus**

for the 2018 exams

1 June 2017

## **Subject P0 – Generic UK Practice Half Module**

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### **Aim**

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

P0 consists of generic material for all actuaries practising in the UK.  
P1–P6 are subject specific and are offered for a choice of specialisms.

P0 will be taken at the same time as one of P1–P6.

### **Links to other subjects**

Subjects CT2 and CA1, in particular, introduce the concepts and knowledge considered in this subject.

The material introduced in P0 underpins the material in the specialist P1–P6.

### **Objectives**

On completion of P0 the candidate will be able to:

1. Know and understand the purpose and structure of UK financial services industry and regulations.
2. Know and understand the powers of the regulators of financial services and their impact upon firms and individuals, including how the regulatory rules affect the control structures of firms and their relationship with the regulators and the 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, Bribery Act 2010 and the laws of agency and contract in dealing with customers.
11. Know and understand the financial services regulators' complaints handling requirements.
12. Know and understand the main features of the financial services regulators' policy regarding financial promotions.
13. Understand the concepts and principles underpinning insurance contracts.
14. Know and understand the financial services regulators' 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.

**END OF SYLLABUS**



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# Subject P1 Health and Care UK Practice Module

## Syllabus

for the 2018 exams

1 June 2017

### **Aim**

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

The Core Reading for the Health and Care Specialist part of this module is contained within the Core Reading for Subject SA1 – Health and Care Specialist Applications. There is separate Core Reading for the generic part of this module.

### **Part A: Generic**

This part is generic module P0.

1. Know and understand the purpose and structure of UK financial services industry and regulations.
2. Know and understand the powers of the regulators of financial services and their impact upon firms and individuals, including how the regulatory rules affect the control structures of firms and their relationship with the regulators and the 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, Bribery Act 2010 and the laws of agency and contract in dealing with customers.
11. Know and understand the financial services regulators' complaints handling requirements.

12. Know and understand the main features of the financial services regulators' policy regarding financial promotions.
13. Understand the concepts and principles underpinning insurance contracts.
14. Know and understand the financial services regulators' 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.

**Part B: Health and Care Specialist**

- (a) Define the principal terms used in health and care in the UK.
- (b) Analyse the main types of UK health and care insurance products in terms of:
  - customer needs
  - interaction with State provision
  - higher order insurer risk considerations
  - bundling and unbundling
  - impact of unit-linked wrappers
- (c) Describe the general business environment for health and care insurers in the UK, in terms of:
  - products and distribution, including the roles of the State and employers
  - underwriting approaches, including genetic testing
  - use of counterparties
  - external influences – demographic, medical, economic, political and social
  - key medical conditions, treatment and other current issues
- (d) Understand the legal, taxation and regulatory framework as applicable to UK health and care insurance:
  - taxation of UK health and care insurance products: premiums, benefits, profits
  - taxation of mutuals, proprietaries and providents
  - supervision of valuation of assets, liabilities and capital requirements
  - conduct of business rules
  - financial reporting requirements
  - policyholder protection schemes
  - treating customers fairly

## Subject P1 – Health and Care UK Practice Module

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- equality legislation
  - statutory actuarial roles
- (e) Describe the principles underlying the requirements of the professional standards and guidance relevant to actuaries practising in or advising UK health and care operations.
- (f) Understand how to design and price health and care insurance products to be sold by UK insurers, including:
- policy conditions
  - capital requirements and return on capital
  - marketability, competition and distribution
  - management of the risks
  - underwriting
  - reinsurance
  - investment policy
  - the renewal process and options
  - regulatory requirements
- (g) Understand the principles and practices that are relevant to the assessment of specific business strategies:
- assessment of the market for a new company launch
  - assessment of overseas markets
  - assessment of a company or portfolio for takeover
- (h) Evaluate the uses and benefits of reinsurance support in health and care insurance:
- control of risks
  - financing
  - technical assistance
  - reinsurance impact
  - badging
- (i) Analyse the asset-liability matching requirements of a UK health and care insurer and develop appropriate strategies.
- (j) Analyse the experience and surplus/profit of a health and care insurer.
- (k) Develop appropriate strategic recommendations for a health and care insurer following an analysis of experience or surplus/profit, including capital management and modelling considerations.

- (l) Understand the considerations underlying the provision of national healthcare systems:
- the importance of healthcare provision
  - different healthcare systems worldwide
  - different approaches to financing healthcare
  - QALYs (quality adjusted life years)
- (m) Understand areas of best practice in UK health and care insurance provision, including the ABI guidelines.

**END OF SYLLABUS**



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# **Subject P2 Life Insurance UK Practice Module**

## **Syllabus**

for the 2018 exams

1 June 2017

### Aim

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

The Core Reading for the Life Insurance Specialist part of this module is contained within the Core Reading for Subject SA2 – Life Insurance Specialist Applications. There is separate Core Reading for the generic part of this module.

### Part A: Generic

This part is generic module P0.

1. Know and understand the purpose and structure of UK financial services industry and regulations.
2. Know and understand the powers of the regulators of financial services and their impact upon firms and individuals, including how the regulatory rules affect the control structures of firms and their relationship with the regulators and the 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, Bribery Act 2010 and the laws of agency and contract in dealing with customers.
11. Know and understand the financial services regulators' complaints handling requirements.
12. Know and understand the main features of the financial services regulators' policy regarding financial promotions.

13. Understand the concepts and principles underpinning insurance contracts.
14. Know and understand the financial services regulators' 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.

**Part B: Life Insurance Specialist**

- (a) Define the principal terms used in life insurance in the UK.
- (b) Describe the major products of interest to UK life insurance companies, additional to the generic coverage in Subject ST2, and whether currently sold or not, in terms of:
  - the main types of products issued
  - the benefits, guarantees, and options that may be provided
  - the purpose and risks of the products to the policyholder and the insurer

The products under this syllabus objective are:

- term assurance
- income protection insurance
- critical illness insurance
- conventional with profits
- accumulating with profits
- unit-linked
- index-linked
- mortgage endowment
- single premium bonds
- personal pension, including self-invested personal pension
- group personal pension
- stakeholder products
- income drawdown
- annuities
- life insurance products related to occupational pension schemes
- wraps
- variable annuities
- equity release products

## Subject P2 – Life Insurance UK Practice Module

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- Takaful insurance
  - microinsurance
- (c) Describe the general business environment for life insurance companies in the UK, including the risks involved, in terms of:
- new business
  - distribution of products
  - the wider competitive environment
  - the principles of treating customers fairly
  - corporate finance
  - outsourcing
  - mergers and acquisitions
  - demutualisations
  - closed funds
- (d) Describe the principles of UK contract and trust law as they affect life insurance, including reference to consumer protection legislation and equality legislation.
- (e) Describe, in terms of the following, the regulatory environment for UK life insurance companies, and how this environment affects the way these companies carry out their business in practice, including the related analyses and investigations:
1. The taxation of the UK business of life insurance companies and the effect of taxation on the benefits and premiums paid under UK life insurance contracts.
  2. The supervision of the UK business of life insurance companies under the relevant regulatory handbooks with regard to:
    - the valuation of assets, liabilities and solvency capital requirements
    - the supervisory reports to be submitted
    - transfers of surplus, including the requirements of surplus distribution systems
  3. The transfer of liabilities from one life insurance company to another.
  4. The capital management of a life insurance company, including determining and improving available capital, projecting future solvency, the principles of asset-liability management and the use of derivatives.
  5. Profit and value reporting under UK GAAP, EU approved IFRS, US GAAP and embedded values, including market consistent embedded values.
  6. The analysis of supervisory surplus and, for a proprietary life insurance company, analysis of the change in embedded value.
  7. The Conduct of Business rules with regard to Treating Customers Fairly, disclosure and, for with profits business, the Principles and Practices of Financial Management (“PPFM”).

8. The management and controls to be exercised by a life insurance company in order to conduct its affairs responsibly and effectively with adequate risk management systems.
  9. The principles underlying the requirements of the professional standards and guidance relevant to actuaries practising in or advising UK life insurance companies.
  10. The statutory roles that are relevant to life insurance actuaries.
- (f) Describe the requirements for the design of life insurance contracts to be marketed in the UK and determine appropriate methods and bases for pricing them.
- (g) Describe the management of UK with profits business, including:
- the calculation and use of asset shares
  - appropriate ways of determining surplus distribution policy

**END OF SYLLABUS**



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# **Subject P3 General Insurance UK Practice Module**

## **Syllabus**

for the 2018 exams

1 June 2017

## **Subject P3 – General Insurance UK Practice Module**

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### **Aim**

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

The Core Reading for the General Insurance Specialist part of this module is contained within the Core Reading for Subject SA3 – General Insurance Specialist Applications. There is separate Core Reading for the generic part of this module.

### **Part A: Generic**

This part is generic module P0.

1. Know and understand the purpose and structure of UK financial services industry and regulations.
2. Know and understand the powers of the regulators of financial services and their impact upon firms and individuals, including how the regulatory rules affect the control structures of firms and their relationship with the regulators and the 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, Bribery Act 2010 and the laws of agency and contract in dealing with customers.
11. Know and understand the financial services regulators' complaints handling requirements.

## Subject P3 – General Insurance UK Practice Module

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12. Know and understand the main features of the financial services regulators' policy regarding financial promotions.
13. Understand the concepts and principles underpinning insurance contracts.
14. Know and understand the financial services regulators' 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.

### Part B: General Insurance Specialist

- (a) Define the principal terms in use in general insurance.
- (b)
  - (i) Describe the main features of the United Kingdom general insurance market.
  - (ii) Outline the key features of the Lloyd's market.
- (c) Describe the principal regulatory and supervisory requirements that affect general insurers (including Lloyd's) established in the UK, under:
  - Solvency II regulation
- (d) Describe the principal taxation requirements that affect general insurers (including Lloyd's) established in the UK.
  - (i) State the principles on which the taxation of a proprietary insurer is based.
  - (ii) Describe the technical reserves that can be taken into account in calculating the taxable profits of a proprietary insurer.
  - (iii) Describe the principal differences in taxation treatment between a mutual and a proprietary insurer.
  - (iv) Outline the principles of taxation within the Lloyd's market.
- (e) Describe the requirements of the professional guidance relevant to actuaries practising in or advising United Kingdom general insurance companies and Lloyd's syndicates.
- (f)
  - (i) Understand the particular considerations to be borne in mind when pricing large commercial risks.

## Subject P3 – General Insurance UK Practice Module

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- (ii) Describe the alternative approaches to rating such risks.
- (g) Outline how to incorporate the return on capital in the calculation of premium rates.
- (h) To understand the use of catastrophe modelling in non-life actuarial work:
  - (i) Understand the difference between catastrophe modelling and traditional actuarial rating methods.
  - (ii) Outline the generic structure of a catastrophe model.
  - (iii) Understand the key perils modelled.
  - (iv) Describe the key uses to which a non-life actuary might put the output of catastrophe models.
  - (v) Understand some key considerations in using the output of catastrophe models.
- (i) Determine appropriate bases for valuing the insurance liabilities of a United Kingdom general insurer in order to produce:
  - Companies Act accounts and statutory returns
  - Taxation accounts
  - Management Accounts
- (j) Understand the reasons why different reserving techniques are required for latent claims and disease claims.
- (k)
  - (i) Analyse the financial planning requirements of a general insurer and develop appropriate strategies.
  - (ii) Develop appropriate models for the purpose of financial planning to enable a general insurer to develop and monitor its objectives at either the corporate or product level.
- (l)
  - (i) Outline the reasons why a general insurer may wish to transfer a portfolio of business to another insurer.
  - (ii) Describe the alternative approaches to such a transfer, including the situations in which each may be appropriate.
- (m) Produce coherent advice and recommendations for the overall financial management of a general insurer.
  - (i) Analyse more complex problems in terms of actuarial, economic and financial factors to a level where appropriate analytical techniques may be used.
  - (ii) Integrate the results of such an analysis into a coherent whole, and

- (iii) Evaluate critically and interpret the results in a wider context and draw appropriate conclusions.

**END OF SYLLABUS**



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# **Subject P4 Pensions UK Practice Module**

## **Syllabus**

for the 2018 exams

1 June 2017

### Aim

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

The Core Reading for the Pensions Specialist part of this module is contained within the Core Reading for Subject SA4 – Pensions and other Benefits Specialist Applications. There is separate Core Reading for the generic part of this module.

### Part A: Generic

This part is generic module P0.

1. Know and understand the purpose and structure of UK financial services industry and regulations.
2. Know and understand the powers of the regulators of financial services and their impact upon firms and individuals, including how the regulatory rules affect the control structures of firms and their relationship with the regulators and the 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, Bribery Act 2010 and the laws of agency and contract in dealing with customers.

11. Know and understand the financial services regulators' complaints handling requirements.
12. Know and understand the main features of the financial services regulators' policy regarding financial promotions.
13. Understand the concepts and principles underpinning insurance contracts.
14. Know and understand the financial services regulators' 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.

**Part B: Pensions Specialist**

- (a) Define the principal terms used in pensions in the United Kingdom.
- (b) Describe the roles of each of the following parties who may be involved in the provision of pensions in the United Kingdom:
  - the State
  - the Pensions Regulator
  - employers or groups of employers
  - individuals or groups of individuals
  - trustees
  - actuaries
  - investment advisers
  - other advisers
- (c) Describe how the legal framework for pensions that applies in the United Kingdom, attempts to:
  - encourage appropriate non-State provision
  - ensure security for non-State provision
  - ensure adequacy of non-State provision

## Subject P4 – Pensions UK Practice Module

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(d) Discuss the implications, for the parties in (b), of the environment in which United Kingdom benefits are provided in terms of the effect of:

- different presentation and reporting of benefits and contributions
- accounting standards

and describe the requirements of the professional guidance relevant to actuaries practising in pensions in the United Kingdom.

(e) Describe the ways in which providers in the United Kingdom may be able to finance the benefits to be provided in terms of:

- the alternatives that exist relating to the timing of contributions relative to benefit payments
- the forms and characteristics of investment that are available if contributions are made before benefits are due for payment

(f) Discuss the factors to consider in determining a suitable design, in terms of benefits and contributions in the United Kingdom, in relation to:

- the level and form of benefits to be provided
- the method of financing the benefits to be provided
- the choice of assets when benefits are to be funded

(g) Discuss the issues surrounding sponsor covenant in the United Kingdom in terms of:

- what is meant by sponsor covenant
- how to measure the willingness of the sponsor to contribute
- how to measure the ability of the sponsor to contribute
- when the other parties involved should consider the sponsor covenant

(h) Describe the risks and uncertainties affecting:

- the level and incidence of benefits
- the level and incidence of contributions
- the level and incidence of return on assets when benefits are funded
- the overall security of benefits

in the United Kingdom.

- (i) Describe the problems that arise in relation to the transfer of pension rights in the event of a company purchase or merger, including matters relating to:
- the different interests and responsibilities of the parties involved
  - the terms that might be set out in the Pensions Clause of a Sale and Purchase agreement
- (j) Determine an appropriate basis for the valuation of a United Kingdom defined benefit scheme.
- (k) Discuss the principles behind the determination of discontinuance terms in respect of benefits from a United Kingdom occupational pension scheme, in relation to how the following may be taken into consideration when determining discontinuance terms:
- rights of beneficiaries
  - other benefit expectations
  - the availability and selection of a method of provision of discontinuance benefits
  - the level of available assets
- (l) Discuss how to determine values for assets, future benefits and future contributions in a United Kingdom environment, in terms of:
- the data requirements
  - the need for placing values on assets, future benefits and contributions and the extent to which values should reflect risk management strategy
  - the reasons why the assumptions used may differ in different circumstances
  - the reasons why the assumptions and methods used to place a value on guarantees and options may differ from those used for calculating the reserves needed
  - how sensitivity analysis can be used to check the appropriateness of the values
- and be able to perform calculations to demonstrate an understanding of the valuation methods.
- (m) Analyse the asset-liability matching requirements of a United Kingdom provider of pensions and related benefits in relation to:
- the trade-off between risk and reward
  - an awareness of adding value to the shareholders of the business
- and describe how projection models may be used to develop appropriate strategies.
- (n) Discuss the principles underlying the use of insurance, and the choice of insurance contract, as a means of reducing some of the risks and uncertainties associated with the provision of pensions in the United Kingdom.

## **Subject P4 – Pensions UK Practice Module**

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- (o) Identify the sources of surplus/deficit for a benefit provider in the United Kingdom and discuss the factors that affect the application of this surplus/deficit.
- (p) Describe how the financial significance of deviations from expectations, should be monitored and assessed, in terms of:
- the reasons for monitoring
  - the data required
  - the process of analysis of the various factors affecting the experience
  - the use of the results of to help develop solutions to the problems faced in pension provision

**END OF SYLLABUS**



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# **Subject P5**

## **Finance**

### **UK Practice Module**

## **Syllabus**

for the 2018 exams

1 June 2017

## **Aim**

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

The Core Reading for the Finance Specialist part of this module is contained within the Core Reading for Subject SA5 – Finance Specialist Applications. There is separate Core Reading for the generic part of this module.

## **Part A: Generic**

This part is generic module P0.

1. Know and understand the purpose and structure of UK financial services industry and regulations.
2. Know and understand the powers of the regulators of financial services and their impact upon firms and individuals, including how the regulatory rules affect the control structures of firms and their relationship with the regulators and the 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, Bribery Act 2010 and the laws of agency and contract in dealing with customers.

## **Subject P5 – Finance UK Practice Module**

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11. Know and understand the financial services regulators' complaints handling requirements.
12. Know and understand the main features of the financial services regulators' policy regarding financial promotions.
13. Understand the concepts and principles underpinning insurance contracts.
14. Know and understand the financial services regulators' 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.

### **Part B: Finance Specialist**

1. Demonstrate a knowledge and understanding of the financial markets, with particular reference to the needs of the UK user.
2. Demonstrate a knowledge of the influences over the UK commercial and economic environment from central banks and Government policy.
3. Demonstrate a knowledge of the personal and corporate taxation framework in the UK.
4. Demonstrate a knowledge of the legislative and regulatory framework for finance in the UK.
  - (a) Corporate governance.
  - (b) Role of the listings authority.
  - (c) Competition and fair trading controls.
  - (d) Monopolies regulators.
  - (e) Provision of financial services.
  - (f) EU legislation.
  - (g) Role and responsibilities of directors.
5. Know and understand the impact of capital adequacy regulations in the UK.
6. Describe the requirements of the professional guidance relevant to actuaries practising in or advising in corporate finance.

7. Be aware of any proposed changes in legislation or professional guidance that will affect the work undertaken or advice given by actuaries working in the corporate finance field, and their expected effective date of implementation.
8. Understand the major areas of risk and uncertainty associated with corporate finance in terms of:
  - the nature and extent of the risks
  - the factors that will affect these risks
  - measures which can be adopted to manage risk and uncertainty efficiently
9. Outline the external influences on mergers and acquisitions, including government policy, regulation and controls.

**END OF SYLLABUS**



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# Subject P6 Investment UK Practice Module

## Syllabus

for the 2018 exams

1 June 2017

### 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.

1. Know and understand the purpose and structure of UK financial services industry and regulations.
2. Know and understand the powers of the regulators of financial services and their impact upon firms and individuals, including how the regulatory rules affect the control structures of firms and their relationship with the regulators and the 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, Bribery Act 2010 and the laws of agency and contract in dealing with customers.
11. Know and understand the financial services regulators' complaints handling requirements.
12. Know and understand the main features of the financial services regulators' policy regarding financial promotions.

13. Understand the concepts and principles underpinning insurance contracts.
14. Know and understand the financial services regulators' 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.

**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 regulation in the investment industry.
  - How members of the Institute and Faculty of Actuaries 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.
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.

## **Subject P6 – Investment UK Practice Module**

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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**