



Jersey Financial Services Commission

GUIDANCE NOTE: PROFESSIONAL QUALIFICATIONS (INVESTMENT BUSINESS)

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1 Guidance

- 1.1 Section 3.3 of the Codes of Practice for Investment Business (the “**IB Codes**”) requires a registered person to assess and monitor the competence of its employees. Paragraph 3.3.5 of the IB Codes details the competency requirements for a registered person’s employees.
- 1.2 One method by which competence can be assessed is by reference to professional qualifications that an employee may hold. Paragraph 3.3.5.1 of the IB Codes states that all investment employees must have obtained a professional qualification appropriate to their role.
- 1.3 The Review of Financial Advice (“**RFA**”), a key part of the Commission’s consumer protection strategy, identified a need to raise the professional standards of investment employees. Accordingly, the IB Codes require that, from 1 January 2014, any investment employee providing investment advice to Retail Clients (as defined in the IB Codes) must hold an appropriate professional qualification at Qualifications and Credit Framework level 4 or above, or level 3 with gap-fill where relevant, as described in paragraph 3.3.6 of the IB Codes.
- 1.4 This Guidance Note contains, within section 2 below, details of professional qualifications that are acceptable to the Commission when held by investment employees who perform various regulated functions within investment businesses. This Guidance Note should be read in conjunction with the IB Codes.
- 1.5 The IB Codes state that a registered person is responsible for ensuring that its employees are appropriately qualified for the role (or roles) that they perform. Registered persons should be aware that a qualification that is suitable, for example, for an employee that provides investment advice to professional clients may not be acceptable for a different activity, such as managing investments or providing investment advice to Retail Clients.

- 1.6 The Commission is aware of the availability of many accredited investment related professional qualifications. Qualifications that are not listed within this Guidance Note (for example, qualifications provided by overseas awarding bodies or others included in the Appropriate Qualification Tables¹ of the UK Financial Conduct Authority (the “FCA”)) may be accepted by the Commission as equivalent to those referenced in the table below. When considering the FCA Appropriate Qualification Table, reference is necessary to the FCA list of Appropriate Qualification Activities².
- 1.7 Paragraph 3.3.9 of the IB Codes details the process by which an application may be made to the Commission for alternative qualifications to receive consideration.
- 1.8 Where paragraph 3.3.8 of the IB Codes is relevant (complex transactions are undertaken or complex investments are advised upon, for example derivatives), a registered person may wish to refer to the list of the FCA’s list of Appropriate Qualifications Activities and Appropriate Qualification Tables to consider whether the qualification of an investment employee is compatible with a particular investment activity.
- 1.9 The table of qualifications contained in section 2 of this Guidance Note will be reviewed and updated periodically to take into account changes to qualifications, including the addition of new relevant qualifications, and comments received from the investment business industry.
- 1.10 Please note that some qualifications may only be considered appropriate for “Advising Retail Clients” when combined with qualification gap-fill. Gap-fill constitutes additional structured continuing professional development, which need not involve examination, completed by an investment employee, and verified by an accredited body as approved by the FCA. Consequently, the table of qualifications includes two columns relating to “Advising Retail Clients” to highlight those qualifications where gap-fill is relevant.

¹ www.fshandbook.info/FS/html/FCA/TC/App/4/1

² www.fshandbook.info/FS/html/handbook/TC/App/1/1

2 Table of Acceptable Professional Qualifications for Investment Business

Awarding Body	Qualification	Managing	Dealing	Advising		
				Professional Clients	Retail Clients	
						Gap-Fill
ACI	ACI Dealing Certificate		✓	✓		
	ACI Diploma <i>(provided it is accompanied by appropriate qualifications in Regulation and Ethics, Investment Principles and Risk, and Personal Taxation)</i>		✓	✓	✓	
ACIIA	Certified International Investment Analyst qualification <i>(provided it is accompanied by appropriate qualifications in Regulation and Ethics, Investment Principles and Risk, and Personal Taxation)</i>	✓	✓	✓	✓	
AIWM	Certified International Wealth Manager Diploma	✓	✓	✓	✓	
CAIA	CAIA Level 1 <i>(provided it is accompanied by appropriate qualifications in Regulation and Ethics, and Personal Taxation)</i>		✓	✓		✓
CFA UK	CFA plus Investment Management Certificate (Level 4) Unit 1	✓	✓	✓	✓	
	Investment Management Certificate (Level 3)	✓	✓	✓		
	Investment Management Certificate (Level 4)	✓	✓	✓	✓	
	Level 1 of CFA Program plus Investment Management Certificate (Level 3)	✓	✓	✓		✓
	Level 1 of CFA Program plus Investment Management Certificate (Level 4)	✓	✓	✓	✓	

Awarding Body	Qualification	Managing	Dealing	Advising		
				Professional Clients	Retail Clients	
						Gap-Fill
CII	Certificate in Financial Planning			✓		
	Certificate in Mortgage Advice ³			✓		
	Certificate in Securities Advice and Dealing		✓	✓	✓	
	Certificate in Discretionary Investment Management	✓				
	Mortgage Advice Qualification ⁴			✓		
	Advanced Financial Planning Certificate	✓	✓	✓		✓
	Diploma in Financial Planning			✓		✓
	Diploma in Regulated Financial Planning			✓	✓	
	Advanced Diploma in Financial Planning			✓		✓
	Fellow (FCII) <i>(where investment employee holds an appropriate life module)</i>			✓		✓
Fellow (FLIA Dip)			✓		✓	
CISI	Certificate in Investment Management	✓	✓	✓		
	Certificate in Securities <i>(CISI's Certificate programme is the replacement for the SFA Registered Representative qualification.)</i>		✓	✓		

³ This qualification is **only** acceptable for providing advice on long-term insurance contracts where such advice is directly related to a mortgage.

⁴ This qualification is **only** acceptable for providing advice on long-term insurance contracts where such advice is directly related to a mortgage.

Awarding Body	Qualification	Managing	Dealing	Advising		
				Professional Clients	Retail Clients	
						Gap-Fill
CISI (cont.)	Certificate in Securities & Financial Derivatives		✓	✓		
	Investment Advice Certificate			✓		✓
	International Certificate in Financial Advice			✓		
	Certificate in Private Client Investment Advice and Management	✓	✓	✓		✓
	Diploma <i>(where investment employee holds three modules as recommended by the registered person)</i>	✓	✓	✓		✓
	Investment Advice Diploma: <i>where investment employee holds three modules including:</i>			✓	✓	
	<i>the private client advice module</i>					
	<i>the securities module</i>	✓	✓	✓	✓	
	<i>derivatives module</i>		✓	✓	✓	
	Diploma in Wealth Management (Level 6)	✓				
	Masters in Wealth Management <i>Post 2010 examination standards</i>	✓	✓	✓	✓	
	<i>Pre 2010 examination standards</i>	✓	✓	✓		✓
Member of the Securities Institute (MSI Dip) <i>(where investment employee holds three modules as recommended by the registered person)</i>	✓	✓	✓		✓	

Awarding Body	Qualification	Managing	Dealing	Advising		
				Professional Clients	Retail Clients	
						Gap-Fill
FINRA	Series 7 - General Securities Representatives Examination <i>(provided it is accompanied by appropriate qualifications in Regulation and Ethics, and Personal Taxation)</i>			✓		✓
IFS	Certificate in Mortgage Advice and Practice ⁵			✓		
IFS (cont.)	Certificate for Financial Advisers			✓		✓
	Professional Certificate in Banking <i>(where investment employee has passed the Practice of Financial Advice module)</i>			✓	✓	
	Professional Investment Certificate			✓		✓
	Diploma for Financial Advisers: <i>Post 2010 examination standards</i>			✓	✓	
	<i>Pre 2010 examination standards</i>			✓		✓
	Associate of the Chartered Institute of Bankers <i>(where examinations taken have included the Investment/ Investment Management module)</i>	✓	✓	✓		✓
Institute of Financial Planning	Certified Financial Planner			✓		✓
London Stock Exchange <i>(records are now kept by the CISI)</i>	London Stock Exchange Full Membership Exams (and other regional stock exchanges as merged with London Stock Exchange) <i>(where investment employee holds three or more papers or holds both the Stock Exchange Practice and Techniques of Investment papers)</i>	✓	✓	✓		✓

⁵ This qualification is **only** acceptable for providing advice on long-term insurance contracts where such advice is directly related to a mortgage.

Awarding Body	Qualification	Managing	Dealing	Advising		
				Professional Clients	Retail Clients	
						Gap-Fill
Society of Investment Analysts in Ireland	Certificate in Investment Management <i>(at least three papers passed by examination)</i>	✓				
South African Institute of Financial Markets	Ordinary and Senior Certificates	✓				
Swiss Finance Institute	Dual degree Executive MBA in Asset and Wealth Management	✓				

Key to acronyms used for Awarding Bodies:

ACI	ACI the Financial Markets Association
ACIIA	Association of Certified International Investment Analysts
AIWM	Association of International Wealth Management
CAIA	Chartered Alternative Investment Analysis Association
CFA UK	CFA Society of the UK
CISI	Chartered Institute for Securities and Investment
CII	Chartered Insurance Institute
FINRA	Financial Industry Regulatory Authority
IFS	Institute of Financial Services, which is a division of the ifs University College (formerly the ifs School of Finance)