



Qualification Specification

Academy of Advanced Financial
Research--Registered Financial Analyst

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Introduction

The Registered Financial Analyst (RFA) qualification is a comprehensive program designed for individuals seeking to excel in finance as financial analysts, investment managers, and financial advisors. It equips learners with advanced analytical abilities, a comprehensive understanding of financial concepts, and a commitment to ethical conduct. The qualification is a recognised standard for professionals committed to lifelong learning and delivering high-quality financial analysis, investment management, and advisory services.

The RFA qualification aims to meet the evolving demands of the finance industry by providing individuals with the necessary knowledge, skills, and competencies. It instils client confidence, opens doors to career advancement opportunities, and establishes recognition within the industry. By completing the qualification, individuals demonstrate their expertise in navigating complex financial landscapes, making informed investment decisions, and providing sound financial advice while upholding the highest standards of integrity.

Accessible to both experienced finance professionals and those entering the field, the RFA qualification welcomes individuals committed to continuous learning and professional growth. It sets a benchmark for professional competence, ensuring graduates are well-equipped to deliver exceptional financial analysis and advisory services.

The Registered Financial Analyst (RFA) qualification offers a comprehensive program that equips individuals with the knowledge, skills, and ethical foundation necessary to excel as financial analysts, investment managers, and financial advisors. It provides a recognised standard of competence, enhances professional expertise, and positions graduates for success in the finance industry.

Purpose of the Qualification

The Registered Financial Analyst (RFA) qualification aims to provide individuals with the knowledge, skills, and ethical framework necessary to excel in the finance industry as competent financial analysts, investment managers, and financial advisors. By equipping learners with advanced analytical abilities, a comprehensive understanding of financial concepts, and adherence to ethical standards, the qualification enhances their professional competence, fosters client confidence, opens doors to career advancement opportunities, and establishes recognition within the finance industry. Ultimately, the RFA qualification serves as a recognised standard for professionals committed to lifelong learning, delivering high-quality financial analysis, investment management, and advisory services while contributing to the growth and integrity of the finance profession.

Rationale of the Qualification

The rationale for the Registered Financial Analyst (RFA) qualification is to meet the evolving demands of the finance industry by equipping individuals with the necessary knowledge, skills, and competencies to excel as financial analysts, investment managers, and financial advisors. By developing professionals with advanced analytical abilities, ethical conduct, and a comprehensive understanding of financial principles, the qualification instils client confidence, fosters career advancement, and establishes recognition within the industry. The RFA qualification is a benchmark for professional competence, ensuring professionals are well-equipped to navigate complex financial landscapes, make informed investment decisions, and provide sound financial advice while upholding the highest standards of integrity and professionalism.

Access and Entry Requirements

The Registered Financial Analyst (RFA) qualification is designed for individuals seeking to advance their careers in the finance industry, including financial analysts, investment managers, and financial advisors. It is a recognised standard for professionals who aspire to excel in roles requiring advanced knowledge, analytical skills, and ethical conduct. The qualification is suitable for both experienced finance professionals looking to enhance their expertise and individuals entering the finance field who wish to establish themselves as competent and credible professionals. Ultimately, the RFA qualification is intended for individuals committed to continuous learning, professional growth, and providing exceptional financial analysis and advisory services to clients and organisations.

Learning assumed to be in place.

Before registering for the Registered Financial Analyst (RFA) qualification, the learning assumed to be in place includes foundational knowledge and understanding of key concepts in finance and related fields. It is expected that learners have prior knowledge in areas such as financial accounting, economics, mathematics and statistics, financial markets and instruments, financial management, business ethics, and the legal framework. This prior learning provides the foundation for learners to engage with the advanced topics and analytical skills the RFA qualification covers. Additionally, familiarity with financial software, data analysis tools, and financial modelling techniques may also be assumed to facilitate effective learning and application of concepts throughout the qualification.

Qualification Size and Structure

This qualification consists of five essential modules that must be completed to attain the qualification. Each module is assigned a specific number of credits, and when translated into notional hours, it reflects the amount of time required to complete each module. The notional hours signify the estimated duration of the study, encompassing both guided learning and independent work. Students will acquire the necessary knowledge and skills to achieve this qualification by completing all five modules. The allocation of credits and notional hours ensures a comprehensive learning experience that equips individuals with the expertise and understanding relevant to their field of study.

<u>Module title</u>	<u>Credit value</u>	<u>Total hours</u>
Financial Ethics and Code of Professional Conduct	3	30
Corporate Finance	4	40
Financial Markets, Products, and Emerging Issues	4	40
Financial Investment	4	40
Continued Professional Development	2	20

Qualification Grading Criteria

To achieve the qualification, it is essential to pass all the modules. This means that students must obtain a minimum score of 50% in each module and demonstrate satisfactory understanding and competence in the subject matter. By completing all the module requirements and meeting the learning outcomes, students will fulfil the necessary criteria to attain the qualification. It is important to note that passing each module is a requirement for the overall qualification, emphasising the holistic nature of the learning journey.

Assessment Methodology

The assessment strategy for the RFA qualification can encompass a variety of methods that effectively evaluate learners' knowledge, skills, and competencies in finance. The proposed assessment strategy may include the following components:

- a. **Written Examinations:** Assess learners' understanding of financial concepts, theories, and principles through examinations that test their theoretical knowledge. These examinations may include multiple-choice, short-answer, and essay questions.
- b. **Case Studies and Problem-Solving Exercises:** Evaluate learners' ability to apply financial analysis techniques, investment strategies, and portfolio management principles to real-world scenarios. Case studies and problem-solving exercises can assess their analytical, critical thinking, and decision-making abilities.
- c. **Research Projects:** Assign learners research projects that require exploring and analysing current financial trends, industry challenges, or specific investment opportunities. This assessment method assesses their research skills, ability to synthesise information and communicate findings effectively.
- d. **Portfolio Management Simulation:** Simulate portfolio management scenarios where learners manage a virtual investment portfolio. This assessment method allows learners to demonstrate their ability to construct and rebalance portfolios, analyse risks, and make informed investment decisions based on market conditions.
- e. **Oral Presentations:** Assess learners' communication and presentation skills by requiring them to deliver presentations on financial analysis, investment strategies, or case study analyses. This method evaluates their ability to articulate complex financial information, engage with stakeholders, and convey recommendations effectively.
- f. **Ethical Dilemma Scenarios:** Present learners with ethical dilemmas commonly encountered in the finance industry and assess their ability to analyse the situation, identify ethical considerations, and propose appropriate courses of action.

Qualification modules

1. Financial Ethics and Code of Professional Conduct

By the end of the module, students will have developed a deep understanding of financial ethics and the code of professional conduct. They will demonstrate the habit of abiding by financial ethics and commit to upholding ethical standards throughout their careers. Students will cultivate healthy and mature financial ethics and morality, recognising the underlying significance of ethics in finance. They will also understand that ethical behaviour is a fundamental quality requirement for financial analysts and will apply the constitutional philosophy of financial analysts in their professional endeavours. Ultimately, students will emerge from the course with a solid ethical foundation and the capacity to make ethical decisions and act with integrity in the financial industry.

1.1 Develop the habit of abiding by financial ethics and financial professional ethics.

- 1.1.1 Internalise the importance of ethical behaviour in the financial industry and commit to upholding ethical standards.
- 1.1.2 Cultivate a sense of personal responsibility and integrity in financial decision-making and professional conduct.
- 1.1.3 Demonstrate consistent adherence to ethical principles and codes of conduct throughout their careers.

1.2 Cultivate healthy and mature financial ethics and morality

- 1.2.1 Understand the relationship between financial ethics and the broader concepts of morality and ethical behaviour.
- 1.2.2 Reflect on personal values and beliefs and their alignment with financial ethics.
- 1.2.3 Develop a well-rounded ethical framework that considers the impact of financial decisions on stakeholders and society.

1.3 Recognise financial ethics as the underlying building of finance

- 1.3.1 Appreciate the fundamental role of ethics in shaping the financial industry and its practices.
- 1.3.2 Understand that ethical behaviour is essential for building trust, maintaining integrity, and safeguarding stakeholders' interests.
- 1.3.3 Recognise that financial ethics are the foundation for sustainable and responsible financial practices.

1.4 Understand the constitutional philosophy of financial analysts as the basis of behaviour.

- 1.4.1 Familiarise oneself with the ethical standards, principles, and codes of conduct that govern the behaviour of financial analysts.
- 1.4.2 Comprehend the importance of ethical behaviour as a fundamental quality requirement for financial analysts.
- 1.4.3 Apply the constitutional philosophy of financial analysts in decision-making, client relationships, and professional interactions.

2. Corporate Finance

By the end of the module, students will have acquired a comprehensive understanding of corporate finance principles, practices, and strategies. They will be able to analyse and evaluate investment opportunities, assess the financial and strategic consequences of corporate actions, and apply advanced treasury and risk management techniques. Additionally, students will develop essential professional skills and demonstrate employability in a corporate finance role, including effective communication, critical thinking, and using technology in financial analysis.

2.1 Explain and evaluate the role and responsibility of the senior financial executive or advisor in meeting the conflicting needs of stakeholders and recognise the role of international financial institutions in the financial management of multinationals.

- 2.1.1 Understand the responsibilities and challenges senior financial executives face in balancing stakeholders' conflicting interests.
- 2.1.2 Evaluate the role of international financial institutions in supporting the financial management of multinational corporations.
- 2.1.3 Analyse the impact of stakeholder expectations on financial decision-making and develop strategies to address conflicting needs effectively.

2.2 Evaluate potential investment decisions and assess their financial and strategic consequences domestically and internationally.

- 2.2.1 Apply investment appraisal techniques, such as net present value (NPV), internal rate of return (IRR), and payback period, to evaluate investment opportunities.
- 2.2.2 Assess the financial and strategic implications of investment decisions on the organisation's value and long-term objectives.
- 2.2.3 Consider risk, cash flows, capital budgeting, and market conditions when evaluating investment opportunities.

2.3 Assess and plan acquisitions and mergers as an alternative growth strategy

- 2.3.1 Evaluate the motives and potential benefits of acquisitions and mergers as growth strategies.
- 2.3.2 Analyse the financial implications of acquisitions and mergers, including synergies, valuation, and integration challenges.
- 2.3.3 Develop an understanding of acquisitions and mergers' legal, regulatory, and ethical considerations.
- 2.4 Evaluate and advise on alternative corporate reorganisation strategies
 - 2.4.1 Assess corporate reorganisation strategies, such as divestitures, spin-offs, and joint ventures.
 - 2.4.2 Analyse corporate reorganisation's financial and strategic implications on the organisation's structure, operations, and performance.
 - 2.4.3 Provide informed advice on selecting and implementing appropriate corporate reorganisation strategies based on organisational goals and market conditions.
- 2.5 Apply and evaluate alternative advanced treasury and risk management techniques.
 - 2.5.1 Apply advanced treasury management techniques, such as forecasting cash flow, liquidity, and working capital optimisation.
 - 2.5.2 Evaluate and implement risk management strategies to mitigate financial risks, including hedging, derivatives, and insurance.
 - 2.5.3 Assess the effectiveness of treasury and risk management techniques in managing financial risks and optimising financial performance.
- 2.6 Apply a range of professional skills in addressing requirements within the Advanced Financial Management exam and in preparation for, or to support, current work experience
 - 2.6.1 Utilise problem-solving, critical thinking, and analytical skills to solve complex financial management problems.
 - 2.6.2 Apply theoretical concepts to practical scenarios, drawing on real-world examples and case studies.
- 2.7 Demonstrate employability and technology skills.
 - 2.7.1 Develop skills necessary for effective professional communication, teamwork, and collaboration in a corporate finance context.
 - 2.7.2 Utilise relevant technology tools and software for financial analysis, modelling, and reporting.
 - 2.7.3 Demonstrate an understanding of emerging technologies and their impact on corporate finance.

3. Financial Markets, Products, and Emerging Issues

By the end of the module, students will have acquired a comprehensive knowledge of financial markets, products, and emerging issues. They will understand the functioning and importance of financial markets, including securities markets and commercial banks. Students will also gain insights into the role of regulatory frameworks and compliance requirements for financial institutions. Additionally, they will develop skills in managing various risks, including credit, liquidity, interest rate, and off-balance sheet risks. This knowledge and skill set will prepare students to analyse financial market dynamics, make informed investment decisions, and navigate emerging issues in the evolving financial landscape.

3.1 Have general knowledge of financial markets

- 3.1.1 Develop an understanding of financial market structure, functions, and participants.
- 3.1.2 Identify different types of financial markets, such as money, bond, share, mortgage, and foreign exchange.
- 3.1.3 Gain knowledge of the role of financial markets in facilitating capital allocation and economic growth.
- 3.2 Understand the relevant countries Reserve System, monetary policy, and interest rates
 - 3.2.1 Comprehend the role and functions of the financial system.
 - 3.2.2 Analyse the objectives and tools of monetary policy and their impact on interest rates and the economy.
 - 3.2.3 Recognise the relationship between monetary policy decisions, interest rates, and financial market conditions.
- 3.3 Understand Securities market
 - 3.3.1 Explore the various segments of the securities market, including money markets, bond markets, share markets, foreign exchange markets, and derivative securities markets.
 - 3.3.2 Analyse the characteristics and features of different securities and their trading mechanisms.
 - 3.3.3 Gain insights into the role of regulations and market infrastructure in ensuring transparency and fairness in securities markets.
- 3.4 Understand Commercial banks
 - 3.4.1 Study the functions, operations, and financial statements of commercial banks.
 - 3.4.2 Analyse the regulatory environment and compliance requirements for commercial banks.
 - 3.4.3 Evaluate the risks faced by commercial banks and the strategies employed for risk management.
- 3.5 Have knowledge of other institutions.
 - 3.5.1 Gain an overview of various financial institutions, including other lending institutions, insurance companies, securities and investment banks, investment companies, pension funds, and fintech companies and platforms.
 - 3.5.2 Understand these institutions' roles, functions, and business models in the financial system.
 - 3.5.3 Analyse the impact of regulatory frameworks on different financial institutions' operations and risk management.
- 3.6 Able to manage credit risk and liquidity risk, interest rate risk, and insolvency risk:
 - 3.6.1 Develop skills in credit risk management, including credit analysis, credit rating, and loan portfolio management.
 - 3.6.2 Understand liquidity risk and its implications for financial institutions.
 - 3.6.3 Analyse interest rate risk and employ risk management strategies to mitigate its impact.
 - 3.6.4 Explore techniques and instruments for managing risks off the balance sheet, such as securitisation, derivatives, and long sales.

4. Financial Investment

By the end of the module, students will have acquired a comprehensive understanding of financial investment principles, techniques, and emerging issues. They will be able to analyse investment environments, construct diversified portfolios, evaluate fixed-income securities, and conduct securities analysis. Students will also gain knowledge of financial derivatives, hedge funds, and the impact of technology on the financial world. This knowledge and skill set will prepare students to make informed investment decisions, manage investment portfolios, and adapt to evolving trends in the financial investment field.

4.1 Understand the investment environment.

- 4.1.1 Develop an understanding of the economic, political, and regulatory factors that influence the investment environment.
- 4.1.2 Recognise the impact of macroeconomic indicators, market trends, and global events on investment decisions.
- 4.1.3 Analyse the relationship between risk and return in the investment landscape.

4.2 Have general knowledge of asset classes and financial institutions

- 4.2.1 Understand different asset classes, including stocks, bonds, real estate, commodities, and alternative investments.
- 4.2.2 Understand the role and functions of various financial institutions, such as banks, mutual funds, insurance companies, and pension funds.
- 4.2.3 Recognise the characteristics and risks associated with different asset classes and financial instruments.

4.3 Capable of applying portfolio theory, capital market theory, and application

- 4.3.1 Apply portfolio theory to construct diversified investment portfolios.
- 4.3.2 Understand the principles of asset allocation and risk management in portfolio construction.
- 4.3.3 Evaluate investment performance using risk-adjusted returns, Sharpe ratio, and beta measures.

4.4 Able to evaluate fixed-income securities

- 4.4.1 Analyse fixed-income securities, including bond pricing, yield curves, and term structures.
- 4.4.2 Understand the impact of interest rate changes on fixed-income securities and bond portfolios.
- 4.4.3 Evaluate the risk and return characteristics of fixed-income investments.

4.5 Able to make securities analysis

- 4.5.1 Develop skills in analysing individual securities, including stocks and bonds.
- 4.5.2 Apply fundamental and technical analysis techniques to assess the value and potential of securities.
- 4.5.3 Conduct industry and company-specific research to make informed investment decisions.

4.6 Understanding financial derivatives

- 4.6.1 Gain knowledge of financial derivatives, such as forward contracts, futures, options, and other products.

- 4.6.2 Analyse the characteristics, pricing, and risk management strategies of different derivatives.
- 4.6.3 Evaluate the role of derivatives in hedging, speculation, and arbitrage strategies.

4.7 Have general knowledge of hedge funds

- 4.7.1 Understand the nature and characteristics of hedge funds as alternative investment vehicles.
- 4.7.2 Analyse the investment strategies and risk management techniques employed by hedge funds.
- 4.7.3 Evaluate the role of hedge funds in the broader investment landscape.

4.8 Be aware of emerging issues, such as the effect of technology on the financial world.

- 4.8.1 Explore emerging trends and issues in the financial industry, including the impact of technology on investment practices.
- 4.8.2 Understand the role of fintech, artificial intelligence, and big data analytics in shaping the investment landscape.
- 4.8.3 Analyse the potential benefits and risks associated with emerging technologies in investment decision-making.

5. Continued Professional Development

By actively engaging in continued professional development, individuals can ensure that their knowledge and skills remain up-to-date in a rapidly evolving financial landscape. They will stay informed about new corporate and financial issues, technologies, laws and legislations, and government policies. Professionals can cultivate a well-rounded skill set by participating in relevant courses, forums, and dialogues and contribute to creating a professional ecological environment within their organisation.

5.1 Stay updated with new corporate and financial issues

- 5.1.1 Keep abreast of the corporate and financial landscape's emerging trends, challenges, and opportunities.
- 5.1.2 Monitor industry developments, regulatory changes, and evolving best practices.
- 5.1.3 Continuously expand knowledge and understanding of new corporate and financial issues to remain relevant and informed.

5.2 Familiarise oneself with new technologies.

- 5.2.1 Stay informed about advancements in technology that impact the financial industry.
- 5.2.2 Understand the potential applications and implications of new technologies, such as artificial intelligence, blockchain, and big data analytics.
- 5.2.3 Identify opportunities to leverage technology for improved efficiency, decision-making, and client service.

5.3 Stay updated with new laws and legislation.

- 5.3.1 Stay informed about changes in laws, regulations, and compliance requirements relevant to the financial industry.
- 5.3.2 Understand the implications of new legislation on business operations, risk management, and client relationships.
- 5.3.3 Ensure compliance with legal and regulatory frameworks through ongoing education and professional development.

5.4 Stay informed about new government policies.

- 5.4.1 Monitor government policies and initiatives that impact the financial sector, both locally and globally.
- 5.4.2 Understand the potential effects of government policies on economic conditions, market dynamics, and investment opportunities.
- 5.4.3 Assess the implications of new policies on business strategies, risk management, and client advisory services.

5.5 Continuously update professional knowledge and skills.

- 5.5.1 Engage in ongoing learning to deepen and broaden professional knowledge in various areas, including finance, technology, law, and government policies.
- 5.5.2 Seek out high-quality courses, workshops, webinars, and conferences to enhance your expertise and stay current.
- 5.5.3 Embrace interdisciplinary learning by exploring courses outside of traditional finance, such as art and speech courses, to cultivate a well-rounded professional skill set.

5.6 Participate in professional forums and dialogues.

- 5.6.1 Engage in professional forums, conferences, and dialogues to exchange knowledge, insights, and best practices with industry peers.
- 5.6.2 Contribute to discussions and debates on current issues, emerging trends, and industry challenges.
- 5.6.3 Foster a professional network and build collaborative relationships within the industry.

5.7 Create a professional ecological environment through CPD education

- 5.7.1 Promote a culture of continuous learning and professional development within the organisation.
- 5.7.2 Encourage employees to pursue CPD education and provide support and resources for their ongoing learning.
- 5.7.3 Foster a positive learning environment that values growth, innovation, and knowledge sharing.

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