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CPD Member  
Continuing Professional Development (CPD)  
Scheme Guidelines & Regulations – Appendices



## **A. Pro Rata Adjustment Form**



## Application for pro rata adjustment of CPD requirements

Membership number:

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Email Address:

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First name:

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Contact number:

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Surname:

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Employer:

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### Notes

1. See CPD Guidelines & Regulations for pro rata rules in 'CPD Downloads/News' tab in 'My Institute' at [www.iob.ie](http://www.iob.ie) or at [www.iob.ie/cpdrules](http://www.iob.ie/cpdrules)

A pro rata adjustment of CPD hours will be applied in the case of long term sick-leave (2 months or more) and statutory leave (maternity (current maximum 42 weeks i.e. up to 26 weeks paid and up to 16 weeks unpaid leave) /adoption/block parental/carer's leave. Include statutory paid and unpaid leave only, do not include holidays prior to or following statutory leave and do not include career break etc.).

2. A pro rata adjustment of CPD hours will not be applied in the case of short-term sick leave, part-time work/job sharing, holidays, other short-term leave and career break.

3. A member on a Minimum Competency Code "MCC" CPD scheme out of work on statutory/sick leave for more than 12 months is required to read and assimilate the CPD Annual Update Manuals for absent year(s) on returning to CPD (available in 'CPD Downloads/News' tab in 'My Institute' at [www.iob.ie](http://www.iob.ie)).

Start date of leave:	D	D	M	M	Y	Y	Y	Y	End date of leave:	D	D	M	M	Y	Y	Y	Y
<input type="checkbox"/>	Statutory maternity / adoption leave								<input type="checkbox"/>	Statutory block parental leave							
<input type="checkbox"/>	Long term illness								<input type="checkbox"/>	Carer's leave							
<input type="checkbox"/>	Other (please attach letter of explanation)																

Please attach any of the following confirming the above leave and dates **(i)** Letter/e-mail from employer; **(ii)** Signature on this form below from employer; **(iii)** Other supporting documentation e.g. maternity leave agreement or medical certs.

Incomplete forms will be returned to the applicant.

### Data protection notice

#### About this data protection notice

This is a statement of the practices of The Institute of Bankers in Ireland, 1 North Wall Quay, Dublin 1 (trading as The Institute of Banking) ('the Institute', 'we', 'us', 'our') in connection with the capture of personal data on this form and the steps taken by the Institute to respect your privacy.

The Institute is a Data Controller and is committed to protecting your rights and any personal information which you provide to the Institute will be treated with the highest standards of security and confidentiality, in accordance with Irish and European Data Protection legislation.

The privacy notice explains the following:

- What information do we collect about you?
- The purpose for collecting your personal data
- The legal bases for collecting your personal data
- Are you required to provide the information?
- How we store and secure personal data
- Details of third parties with whom we share personal data
- What are your rights?
- Contact

#### What information do we collect about you?

The data we collect from you will be used by the Institute only in accordance with the purposes outlined in this privacy notice. We will collect your data in the following manner:

Some of the information collected through this form may be classified as special category or sensitive personal data e.g. health data.

In order to provide our services to you we collect contact details, other identifying information and information regarding the reason for your pro rata request together with supporting documentation where relevant or employer signature and employer information when you fill out this application form.

The data collected in this form will be used by the CPD and other relevant departments in the Institute on a 'need to know' basis.

#### The purpose for collecting your data

The data we collect about you will be used to assess and apply a pro rata reduction in CPD hours where relevant and to assess and manage your CPD compliance where relevant. We will also use your data to communicate our decision to you and deal with any queries where relevant.

#### The legal basis for collecting your data

We process your personal data on the following legal bases:

- We rely on your explicit consent as our legal basis for processing data provided on this form.
- The processing of your information is necessary for the performance of the designation/CPD membership contract between the Institute and you.
- The processing is necessary for the purposes of our legitimate interests or the legitimate interests of a third party to whom we provide your personal data. We will not process your personal data for these purposes if our or the third party's legitimate interests should be overridden by your own interests or fundamental rights and freedoms. The legitimate interests pursued in this regard consist of:

- conducting our business in a meaningful and lawful manner;
  - dealing with any disputes that may arise;
  - providing information relating to you to your employer, where they have a legitimate interest in obtaining that information.
- The processing is necessary for compliance with our legal obligations.

**Are you required to provide the information?**

We require you to complete the mandatory fields identified in this form for the purposes outlined above. If you do not provide us with the information required in these fields, we may be unable to process this request for a pro rata reduction in CPD hours.

**How we store and secure your data**

Any data we collect from you will be stored confidentially and securely. The Institute is committed to ensuring all accesses to, uses of, and processing of Institute data is performed in a secure manner.

In addition to the normal standards of confidentiality, we also carefully control access to sensitive data e.g. health data within the Institute so that it is only available to people who 'need to know'.

In keeping with the data protection principles, we will only store your data for as long as is necessary to provide our services to you and for such a period of time after this as is necessary to comply with our obligations under applicable law and, if relevant, to deal with any claim or dispute that may arise in connection with our relationship with you.

For the purposes described here we will store your data for three years for evidential and operational purposes for our CPD schemes (any supporting documentation which may contain sensitive information e.g. health data will be stored for a period in order to assess pro rata eligibility and duration and it will then be confidentially destroyed).

When we store your personal data on our systems the data will be stored either on the Institute's secure IT platforms within the EEA which are also subject to European data protection requirements.

**Details of third parties with whom we share personal data**

The Institute will share your data with third parties where necessary for purposes of the processing outlined here.

We may share your information with our trusted service providers (e.g. IT support, auditors, legal advisors, and other professional advisors).

We may disclose your information to your employer or the Central Bank of Ireland e.g. for Minimum Competency Code/Regulation and/or Fitness and Probity requirements.

If you are a member of ACOI we may disclose your information to ACOI. We may disclose your information to the Insolvency Service of Ireland if you are a Personal Insolvency Practitioner (PIP).

We may also disclose your information to other legal and regulatory bodies where requested or where required by law.

**What are your rights?**

You have the following rights, in certain circumstances and subject to applicable exemptions:

- You are entitled to ask for a copy of the personal data, which the Institute of Banking holds about you.
- The right to have any inaccuracies in your personal data amended.
- The right to object to the processing of your personal data.
- The right to have the personal data that we hold about you erased.
- The right to restrict the processing of your personal data.
- The right to receive your personal data, which you provided to us, in a structured, commonly used and machine-readable format or to require us to transmit that data to another controller.
- Where processing is based on consent, you have the right to withdraw your consent at any time.

**Contact**

If you have any queries relating to the processing of your personal data for the purposes outlined above or you wish to make a request in relation to your rights you can contact the Institute's Data Protection Officer using the contact details below.

If you are unhappy with the way in which your personal data has been processed you may in the first instance contact the Institute's Data Protection Officer using the contact details below.

The Institute of Banking has a Data Protection Officer who can be contacted through [dataprotection@iob.ie](mailto:dataprotection@iob.ie) or by writing to:

The Data Protection Officer, The Institute of Banking, IFSC, 1 North Wall Quay, Dublin 1.

If you remain dissatisfied then you have the right to apply directly to the Data Protection Commission for a decision. The Data Protection Commission can be contacted at: Data Protection Commission, Canal House, Station Road, Portlington, R32 AP23 Co. Laois, [www.dataprotection.ie](http://www.dataprotection.ie)

**Declaration**

I wish to apply for pro-rata adjustment of my CPD requirements. I acknowledge that I have read in full, understood and agree to be bound by the terms and conditions set out and referred to online at [www.iob.ie/cpdrules](http://www.iob.ie/cpdrules) and [www.iob.ie/terms](http://www.iob.ie/terms)

I confirm that the above is accurate and correct and that if I am an MCC CPD scheme and on statutory/sick leave for more than 12 months I will read the CPD Annual Update Manuals for the absent year(s).

Member Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Manager's Name: \_\_\_\_\_

Manager's Signature: \_\_\_\_\_

Manager's Employer: \_\_\_\_\_

Manager's Title: \_\_\_\_\_

**Please return form and supporting documentation (if form not signed) to:  
The Institute of Banking, IFSC, 1 North Wall Quay, Dublin 1**

**Office Only**

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## **B. CPD Personal Record Sheet**

## CPD Personal Record Sheet

**Name (print):** \_\_\_\_\_  
**Membership Number:** \_\_\_\_\_  
**Bank/Employer** \_\_\_\_\_

- The Institute provides an Online CPD Record in 'My Institute' on the Institute's website [www.iob.ie](http://www.iob.ie) where members must **record** all of their CPD events in order to make an Annual Return each year. This sheet is for your own records.
- You will be required to present your original records together with **supporting documentation confirming attendance/completion** (e.g. attendance sheets, certificates of attendance/completion, online test results etc.) in the event that you are selected for audit.
- As outlined in the CPD Guidelines & Regulations you should only count the number of hours **actively involved** in CPD activity. Time spent travelling to/from venue, tea/coffee breaks and social time before/after an event etc. will not count. Photocopy this sheet as required.

Please complete **ALL SECTIONS** in block letters, an example of the type of information that should be provided is included in the first line

[illegible]

**C. Recognised Qualifications under the Minimum Competency Code**

## Appendix 4 – Recognised Qualifications

7	Housing Loans, Home Reversion Agreements and Associated Insurances	<ul style="list-style-type: none"> <li>• Qualified Financial Adviser (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)</li> <li>• Accredited Product Adviser* (Loans) (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)</li> </ul>
8	Consumer Credit and Associated Insurances	<ul style="list-style-type: none"> <li>• Qualified Financial Adviser (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)</li> <li>• Accredited Product Adviser* (Loans) (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)</li> <li>• Accredited Product Adviser* (Consumer Credit) (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)</li> </ul>

Credit Unions	Additional Qualifications recognised by the Central Bank for credit unions
Credit Union acting as an insurance intermediary	<ul style="list-style-type: none"> <li>• Credit Union Adviser (<i>LIA and Credit Union Development Association</i>)</li> <li>• Advanced Certificate in Credit Union Practice (<i>University of Ulster and Irish League of Credit Unions</i>)</li> </ul>

Category of specified function	Additional qualifications recognised by the Central Bank in respect of specified functions
1 Assisting consumers in the making of a claim under contracts of life assurance or Determining the outcome of claims by consumers arising under contracts of life assurance	<ul style="list-style-type: none"> <li>• Associate or Fellow of the Chartered Insurance Institute</li> <li>• Associate or Fellow of the Society of Actuaries in Ireland</li> <li>• Diploma in Life and Disability Underwriting (<i>The Insurance Institute of Ireland</i>)</li> <li>• Diploma in Life and Disability Claims (<i>The Insurance Institute of Ireland</i>)</li> <li>• Solicitor Member of the Law Society of Ireland</li> <li>• Barrister-at-Law called to the Bar of Ireland</li> </ul>
2 Assisting consumers in the making of a claim under contracts of general insurance or Determining the outcome of claims by consumers arising under contracts of general insurance	<ul style="list-style-type: none"> <li>• Associate or Fellow of the Chartered Institute of Loss Adjusters</li> <li>• Associate or Fellow of the Society of Actuaries in Ireland</li> <li>• Certified Diploma in Loss Adjusting (<i>The Insurance Institute of Ireland</i>)</li> <li>• Diploma in Loss Adjusting (<i>The Insurance Institute of Ireland</i>)</li> <li>• Solicitor Member of the Law Society of Ireland</li> <li>• Barrister-at-Law called to the Bar of Ireland</li> </ul>



## Amendment to Appendix 4 of the MCC – Recognised Qualifications

Appendix 4 of the MCC is hereby amended, as follows:

Category of <i>specified function</i>	Qualification recognised by the Central Bank
3 Providing <i>debt management services</i> , as defined in Part V of the Central Bank Act 1997.	<ul style="list-style-type: none"><li>• Accredited Product Adviser (Debt Management Services) (<i>Institute of Banking School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)</li><li>• Accredited Product Professional (Debt Management Services) (<i>National College of Ireland</i>)</li></ul>

Paragraph 3, re-numbered as 4, is hereby amended to incorporate the additional specified function above, as follows:

4 Adjudicating on any complaint communicated to a regulated firm by a <i>consumer</i> which relates to <i>advice</i> about a <i>retail financial product</i> provided to that <i>consumer</i> or the arranging of a <i>retail financial product</i> for that <i>consumer</i> or the activities at 1, 2 or 3 above.	<ul style="list-style-type: none"><li>• Licentiate of the Association of Compliance Officers in Ireland</li><li>• Solicitor Member of the Law Society of Ireland</li><li>• Barrister-at-Law called to the Bar of Ireland</li></ul>
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**D. Minimum Competencies for Retail Financial Products**

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Life Assurance

SUBJECT MATTER	COMPETENCIES
<b>1. The concept of financial planning</b>	<ul style="list-style-type: none"><li>√ To analyse the main generic types of life assurance savings, protection and investment needs a <i>consumer</i> may have at different life stages.</li><li>√ To explain the concept of financial planning and assess the benefits it can provide to <i>consumers</i> in terms of meeting their financial plans and objectives.</li></ul>
<b>2. Legal principles</b>	<ul style="list-style-type: none"><li>√ To explain the main elements of a valid contract of assurance, how a contract is discharged and the remedies for breach of contract.</li><li>√ To illustrate the particular legal principles underlying life assurance policies, including in particular the principles of <i>insurable interest</i> and <i>utmost good faith</i>.</li><li>√ To describe the main requirements which these legal principles impose on <i>consumers</i> effecting life assurance policies, including in particular the duty to disclose known material facts, and how these principles can impact on policy benefits.</li><li>√ To interpret the concept of <i>agency</i> and define the main duties of an agent to his or her <i>principal</i> and discuss how an agency may be terminated.</li></ul>
<b>3. Life assurance protection policies</b>	<ul style="list-style-type: none"><li>√ To explain, compare and contrast the main features, benefits, limitations and risks of the different generic types of life assurance protection policies.</li><li>√ To discuss the typical explicit charges of the different generic types of life assurance protection policies.</li><li>√ To identify the different ways in which a life assurance protection policy can be arranged and owned and assess the impact of each different arrangement on entitlement to benefit under the policy.</li><li>√ To illustrate the fiscal treatment for the <i>consumer</i> of premiums and benefits under the different generic types of life assurance protection policies.</li><li>√ To assess and explain the different risks for a <i>consumer</i> effecting a life assurance protection policy.</li></ul>
<b>4. The underwriting process</b>	<ul style="list-style-type: none"><li>√ To explain the functions of the life assurance underwriting process and discuss the relationship between underwriting and the premium charged for life assurance benefits.</li><li>√ To describe the typical underwriting process and associated requirements, including statutory restrictions, applicable to the effecting of a life assurance policy.</li><li>√ To define what <i>reinsurance</i> is, explain why life assurance companies use reinsurance, and assess its potential impact on the underwriting process for life assurance policies.</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Life Assurance

SUBJECT MATTER	COMPETENCIES
	√ To describe the main different types of reinsurance a life company can enter into, and the benefits of such reinsurance for the life assurance company.
<b>5. The claims process</b>	√ To explain the main requirements on both the claimant and the life assurance company throughout the claims settlement process under the different generic types of life assurance policies.
<b>6. Wills and estates</b>	<ul style="list-style-type: none"><li>√ To differentiate between <i>joint tenants</i> and <i>tenants in common</i> ownership of assets.</li><li>√ To identify the main legal requirements which apply to the making of a valid Will and explain how a valid Will can be revoked.</li><li>√ To define the main Succession Act rights which the next of kin of a deceased may have to his or her estate.</li><li>√ To describe the impact on a spouse's Succession Act rights of a legal separation or divorce.</li><li>√ To describe the impact on a civil partner's Succession Act rights of the dissolution of a registered civil partnership.</li><li>√ To define the main requirements for the legal transfer of assets, including the death benefit under a life assurance policy, of a deceased to his or her next of kin.</li></ul>
<b>7. Savings and investment policies</b>	<ul style="list-style-type: none"><li>√ To explain, compare and contrast the main features, benefits, limitations and risks for a <i>consumer</i> of the different generic types of investment linked life assurance, including regular savings plans and lump sum investment bonds.</li><li>√ To quantify the typical explicit charges of the different generic types of investment linked life assurance.</li><li>√ To explain the different ways in which investment linked life assurance policies can be arranged and owned and demonstrate the impact of each arrangement on entitlement to benefit under the policy.</li><li>√ To demonstrate the taxation treatment for the <i>consumer</i> of premiums and benefits under the different generic types of investment linked life assurance.</li><li>√ To assess and explain the different risks for a <i>consumer</i> investing in an investment linked life assurance policy.</li></ul>
<b>8. Tracker Bonds</b>	√ To describe how generic types of life assurance based Tracker Bonds are structured to provide the benefits promised to the investor.

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Life Assurance

SUBJECT MATTER	COMPETENCIES
	<ul style="list-style-type: none"><li>✓ To demonstrate the taxation treatment of returns received from life assurance based Tracker Bonds.</li><li>✓ To assess and explain the different risks for a <i>consumer</i> investing in a Tracker Bond.</li></ul>
<b>9. Personal taxation</b>	<ul style="list-style-type: none"><li>✓ To list the main schedules under which Income Tax is assessed and identify the types of income which fall under each schedule.</li><li>✓ To describe the main Income Tax reliefs and credits which can be claimed by a <i>consumer</i>.</li><li>✓ To calculate a <i>consumer's</i> Income Tax liability, given details of his or her earnings and reliefs.</li><li>✓ To calculate an Inheritance Tax liability that could arise on the inheritance of an asset and apply the main exemptions and reliefs.</li><li>✓ To evaluate the main features and benefits of the reliefs afforded to life assurance policies used to fund Inheritance Tax or Gift Tax.</li><li>✓ To demonstrate the taxation treatment of a <i>consumer</i> investing in life assurance savings policies and investment bonds.</li></ul>
<b>10. Business consumers</b>	<ul style="list-style-type: none"><li>✓ To compare and contrast the main legal and taxation differences between a partnership and a limited company.</li><li>✓ To describe the different ways in which <i>Partnership Insurance</i> can be arranged and illustrate the taxation implications of each.</li><li>✓ To define <i>Keyperson Insurance</i>, explain how it can be arranged and the taxation implications.</li></ul>
<b>11. The process by which appropriate advice is given to the consumer about a life assurance policy</b>	<ul style="list-style-type: none"><li>✓ To identify the main items of information about a <i>consumer</i> which should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> on his or her life assurance needs.</li><li>✓ To describe the main survivor's pension and disability benefits provided by the Social Insurance and Assistance schemes, and assess a <i>consumer's</i> potential entitlement to such benefits.</li><li>✓ To analyse information about a <i>consumer's</i> financial needs and resources in order to accurately identify, quantify and prioritise their life assurance protection, savings and investment needs.</li><li>✓ To compare and contrast the features, benefits, limitations and risks of different generic types of life assurance protection, savings and investment policies, so as to be able to recommend to a <i>consumer</i> a policy or a portfolio of policies appropriate to that <i>consumer's</i> financial needs, resources and attitude to risk.</li><li>✓ To compose a reason-why statement for a <i>consumer</i> setting out in clear terms the reasons underlying any <i>advice</i> given to the <i>consumer</i> regarding a life assurance protection, savings or</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Life Assurance

SUBJECT MATTER	COMPETENCIES
	investment policy.
	√ To explain why a regular review of a <i>consumer's</i> financial needs and resources should be conducted.
<b>12.Inflation and financial mathematics</b>	<ul style="list-style-type: none"><li>√ To illustrate the impact inflation can have over time on a <i>consumer's</i> financial needs and resources, and on life assurance benefits.</li><li>√ To calculate a sum accumulated over a specified period at a specified rate of interest, using appropriate accumulation tables.</li><li>√ To calculate a sum discounted over a specified period at a specified rate of interest, using appropriate discounting tables.</li><li>√ To define what the terms <i>RIY</i>, <i>APR</i> and <i>EAR</i> mean and demonstrate how they can be used to compare different financial products.</li></ul>
<b>13.Best practice</b>	<ul style="list-style-type: none"><li>√ To describe the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.</li><li>√ To recognise the ethical issues arising in relation to the conduct of business.</li></ul>
<b>14.Legislation, regulation and compliance</b>	<ul style="list-style-type: none"><li>√ To discuss why Governments seek to regulate financial services companies.</li><li>√ To distinguish between structural, systemic, prudential and <i>consumer</i> protection regulation.</li><li>√ To describe the main functions of the Central Bank of Ireland, including its enforcement powers.</li><li>√ To describe the main functions of the National Consumer Agency in relation to the provision of financial services to <i>consumers</i>.</li><li>√ To describe the different types of <i>insurance intermediaries</i> authorised under the Investment Intermediaries Act, 1995 and registered under the European Communities (Insurance Mediation) Regulations 2005.</li><li>√ To explain the main regulatory requirements which directly apply to the activity of advising <i>consumers</i> on and effecting of a life assurance policy, including in particular:<ul style="list-style-type: none"><li>• the registration and authorisation requirements of <i>insurance intermediaries</i>;</li><li>• who prudentially regulates life assurance companies and the role of the Appointed Actuary;</li><li>• the European Communities (Insurance Mediation) Regulations, 2005;</li><li>• the European Communities (Distance Marketing of</li></ul></li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Life Assurance

#### SUBJECT MATTER

#### COMPETENCIES

- Consumer Financial Services) Regulations, 2004;
- relevant provisions of the Consumer Credit Act, 1995 (and relevant Regulations made under the Act) in relation to insurance and housing loans;
- relevant provisions of the European Communities (Consumer Credit Agreements) Regulations 2010 in relation to insurance and *consumer* credit agreements;
- the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland;
- the Revenue reporting duties of insurance intermediaries who arrange foreign life assurance policies for Irish residents;
- obligations on insurance intermediaries and financial services providers as *designated persons* under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;
- the provisions of Life Assurance (Provision of Information) Regulations, 2001;
- the benefits provided to *consumers* by the Investor Compensation Scheme and the limitations of that scheme;
- the details of the Financial Services Ombudsman Scheme, and how a *consumer* can access the Scheme;
- the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Pensions

SUBJECT MATTER	COMPETENCIES
<b>1. The concept of financial planning</b>	<ul style="list-style-type: none"><li>√ To analyse the main generic types of retirement planning needs a <i>consumer</i> may have at different life stages.</li><li>√ To explain the concept of financial planning and assess the benefits it can provide to <i>consumers</i> in terms of meeting their financial plans and objectives.</li></ul>
<b>2. Legal principles</b>	<ul style="list-style-type: none"><li>√ To explain the main elements of a valid contract of assurance, how a contract is discharged and the remedies for breach of contract.</li><li>√ To interpret the concept of <i>agency</i> and define the main duties of an agent to his or her <i>principal</i> and discuss how an agency may be terminated.</li></ul>
<b>3. Investment linked pension policies</b>	<ul style="list-style-type: none"><li>√ To compare and contrast the main features, benefits, limitations and risks for a <i>consumer</i> of the different generic types of investment linked pension policies, including annuities, PRSAs, Personal Pension Plans, AVCs, Buy Out Bonds, and individual defined contribution employer sponsored pension arrangements.</li><li>√ To quantify the typical explicit charges of the different generic types of investment linked pension policies.</li><li>√ To demonstrate the taxation treatment for the <i>consumer</i> of premiums and benefits under the different generic types of investment linked pension policies.</li><li>√ To assess the different risks for a <i>consumer</i> investing in an investment linked pension policy.</li></ul>
<b>4. Pensions and associated benefits</b>	<ul style="list-style-type: none"><li>√ To differentiate between <i>defined contribution</i> and <i>defined benefit</i> pension arrangements.</li><li>√ To describe how an approved occupational pension scheme is set up.</li><li>√ To explain the main legislative restrictions on the investment and operation of and the benefits arising from occupational pension schemes, AVCs, retirement annuities, ARFs, AMRFs, Buy Out Bonds and Personal Retirement Savings Accounts.</li><li>√ To apply the Revenue Pensions Practice limitations on the maximum approvable benefits which can be provided for a member of an approved occupational pension scheme and calculate the maximum benefit in any individual case.</li><li>√ To apply the Revenue Pensions Practice limitations on the maximum ordinary annual contribution which can be paid to an approved occupational pension scheme in respect of a member, and calculate the maximum ordinary annual contribution in any individual case.</li><li>√ To define what a Small Self Administered Pension Scheme is and</li></ul>



## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Pensions

#### SUBJECT MATTER

#### COMPETENCIES

illustrate the current Revenue Pensions Practice and statutory restrictions on the operation of such schemes.

- √ To assess the different retirement benefit options under different types of pension arrangements and to compare the advantages and disadvantages of alternative benefit options for a *consumer*.
- √ To assess the main options open to an employee who leaves services with an entitlement to a preserved benefit under his or her employer's occupational pension scheme.
- √ To demonstrate the tax relief afforded to ordinary and special contributions to an approved occupational pension scheme and to overseas pension arrangements, and calculate the relief for an employer special contribution paid to an approved occupational pension scheme in a particular case.

#### 5. Retirement portfolios

- √ To explain the main different ways in which pension arrangements can invest in geared property investment.
- √ To define an exempt unit trust and explain what types of investors can invest in such a unit trust
- √ To explain what an ARF portfolio is, and identify who is entitled to transfer funds into an ARF.
- √ To identify the main statutory restrictions on ARF, PRSA and occupational pension scheme investments.
- √ To demonstrate the taxation treatment of distributions from an ARF.
- √ To define what a *Small Self Administered Pension Scheme* is and illustrate the current Revenue practice and statutory restrictions on investment powers of such schemes.
- √ To explain what a *chargeable excess* is, how it can arise, and calculate the chargeable excess in an individual case.
- √ To explain how a tax charge can arise on the payment of a lump sum under a pension arrangement, and calculate the tax liability in an individual case.

#### 6. Personal taxation

- √ To list the main schedules under which Income Tax is assessed and identify the types of income which fall under each schedule.
- √ To describe the main Income Tax reliefs and credits which can be claimed by a *consumer*, including pension tax reliefs.
- √ To demonstrate how termination and compensation payments are taxed, how the tax free part of termination payments is related to pension tax free lump sum entitlement, and to calculate the taxable part of a termination payment in an individual case.
- √ To calculate a *consumer's* Income Tax liability, given details of his or her earnings and reliefs.

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Pensions

SUBJECT MATTER	COMPETENCIES
<b>7. The process by which appropriate advice is given to the consumer about pension products and benefits</b>	<ul style="list-style-type: none"><li>✓ To identify the main items of information about a <i>consumer</i> which should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> on pension policies and benefits.</li><li>✓ To describe the main retirement pensions provided by the Social Insurance and Assistance schemes, and assess a <i>consumer's</i> potential entitlement to such benefits.</li><li>✓ To analyse information about a <i>consumer's</i> financial needs and resources in order to accurately identify, quantify and prioritise their retirement needs.</li><li>✓ To compare and contrast the features, benefits, limitations and risks of different generic types of pension products, so as to be able to recommend to a <i>consumer</i> a product or a portfolio appropriate to that <i>consumer's</i> financial needs, resources and attitude to risk.</li><li>✓ To compose a reason-why statement for a <i>consumer</i> setting out in clear terms the reasons underlying any retirement planning <i>advice</i> given to the <i>consumer</i>.</li><li>✓ To explain why a regular review of a <i>consumer's</i> financial needs and resources should be conducted.</li></ul>
<b>8. Inflation and financial mathematics</b>	<ul style="list-style-type: none"><li>✓ To illustrate the impact inflation can have over time on a <i>consumer's</i> financial needs and resources, and on returns from pension products.</li><li>✓ To calculate a sum accumulated over a specified period at a specified rate of interest, using appropriate accumulation tables.</li><li>✓ To calculate a sum discounted over a specified period at a specified rate of interest, using appropriate discounting tables.</li><li>✓ To define what the term <i>RIY</i> means and demonstrate how it can be used to compare different pension policies.</li></ul>
<b>9. Best practice</b>	<ul style="list-style-type: none"><li>✓ To describe the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.</li><li>✓ To recognise the ethical issues arising in relation to the conduct of business.</li></ul>
<b>10. Legislation, regulation and compliance</b>	<ul style="list-style-type: none"><li>✓ To discuss why Governments seek to regulate financial services companies.</li><li>✓ To distinguish between <i>structural</i>, <i>systemic</i>, <i>prudential</i> and <i>consumer protection</i> regulation.</li><li>✓ To describe the main functions of the Central Bank of Ireland, including its enforcement powers.</li><li>✓ To describe the main functions of the National Consumer Agency</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Pensions

#### SUBJECT MATTER

#### COMPETENCIES

in relation to the provision of financial services to *consumers*.

- √ To describe the different types of *insurance intermediaries* authorised under the Investment Intermediaries Act, 1995 and registered under the European Communities (Insurance Mediation) Regulations 2005.
- √ To explain the main regulatory requirements which directly apply to the activity of advising *consumers* in relation to pension policies and associated benefits, including in particular:
  - the registration and authorisation requirements of *insurance intermediaries*;
  - the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland;
  - the conditions of 'execution only' transactions;
  - obligations on investment firms, insurance intermediaries and investment business firms as designated *persons* under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;
  - the benefits provided to *consumers* by the Investor Compensation Scheme and the limitations of that scheme;
  - the details of the Financial Services Ombudsman Scheme, and how a *consumer* can access the Scheme;
  - the details of the Pensions Ombudsman Scheme, and how a *consumer* can access the Scheme;
  - the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008;
  - the Pensions Act whistle blowing obligations on relevant *persons* in relation to the operation of occupational pension schemes and PRSAs.

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Savings and Investments

SUBJECT MATTER	COMPETENCIES
<b>1. The concept of financial planning</b>	<ul style="list-style-type: none"><li>✓ To analyse the main generic types of savings and investment needs a <i>consumer</i> may have at different life stages.</li><li>✓ To explain the concept of financial planning and assess the benefits it can provide to <i>consumers</i> in terms of meeting their financial plans and objectives.</li></ul>
<b>2. The financial services market</b>	<ul style="list-style-type: none"><li>✓ To explain the main functions which the financial system fulfils.</li><li>✓ To list the key participants of the financial services system.</li><li>✓ To describe the main financial services which financial institutions provide.</li><li>✓ To define what <i>capital markets</i> are and differentiate between the <i>primary</i> and <i>secondary</i> capital markets.</li><li>✓ To identify the main functions of the Irish Stock Exchange, including the main types of securities listed on the Exchange.</li></ul>
<b>3. Legal principles</b>	<ul style="list-style-type: none"><li>✓ To explain the main elements of a valid contract, how a contract is discharged and the remedies for breach of contract.</li><li>✓ To interpret the concept of <i>agency</i> and define the main duties of an agent to his or her <i>principal</i> and discuss how an agency may be terminated.</li></ul>
<b>4. The economy</b>	<ul style="list-style-type: none"><li>✓ To distinguish between <i>monetary</i> and <i>fiscal</i> policy.</li><li>✓ To differentiate between <i>Gross Domestic Product</i> and <i>Gross National Product</i>.</li><li>✓ To identify the different causes of inflation and deflation.</li><li>✓ To identify the different causes of unemployment.</li><li>✓ To discuss the main benefits of international free trade.</li><li>✓ To describe the main features of the European System of Central Banks.</li></ul>
<b>5. Savings and Investment</b>	<ul style="list-style-type: none"><li>✓ To discuss the main investment asset classes.</li><li>✓ To discuss alternative asset classes.</li><li>✓ To explain the concept of the <i>volatility</i> of investment returns and describe how this volatility may vary by the main investment asset classes.</li><li>✓ To discuss the concept of the <i>correlation</i> of investment returns between different investments.</li><li>✓ To explain the main advantages and disadvantages of collective investment over individual direct investment.</li><li>✓ To describe the main features of the different generic forms of</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Savings and Investments

collective investment funds, including differentiating between *open ended* and *closed ended* funds.

- √ To explain market efficiency and its implications for *active*, *passive* and *consensus* investment management styles.
- √ To assess the potential impact of different forms of risk which may be associated with an investment.
- √ To accurately appraise a *consumer's* attitude to investment risk.
- √ To describe the difference between *optimisation* and *maximisation* of investment returns.
- √ To describe *efficient portfolio theory* and its implication for how investment risk can be reduced by *diversification*.
- √ To identify the main restrictions which may apply to trustee investments under the Trustee (Authorised Investments) Act, 1958.
- √ To identify the main restrictions which apply to the investment of credit union assets.

#### 6. Quoted shares

- √ To list the different types of ordinary and preferences shares, and describe their differing shareholder rights.
- √ To explain the different factors which can have an influence on quoted share prices, from time to time.
- √ To calculate and interpret the main ratios used to assess and compare quoted share values, including in particular *dividend yield*, *dividend cover*, *earnings per share*, *PER*, *EBITDA*, and *net asset value*.
- √ To explain the steps and costs for the *consumer* involved in buying or selling quoted shares, including settlement procedures.
- √ To distinguish between *discretionary*, *advisory* and *execution only* services provided by investment firms.
- √ To identify the different methods of registering ownership of quoted shares.
- √ To describe what the main ISEQ indices are.
- √ To assess different potential risks for a *consumer* investing in a quoted share.
- √ To define and calculate '*yield gap*' and '*equity risk premium*'.

#### 7. Company law and accounting

- √ To describe how a company is formed.
- √ To differentiate between a private company and a public limited company (plc).
- √ To list the information contained in a typical company's Memorandum of Association and Articles of Association.
- √ To define the basic accounting principles which apply to the accounts of a typical trading company.

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Savings and Investments

- √ To identify what information a typical trading company's Balance Sheet, Profit and Loss Account and Cash Flow statements contain and analyse this information to aid the assessment of the value of the company.

#### 8. Quoted bonds

- √ To define what a *bond* is and what it offers *consumers*
- √ To identify the steps and quantify costs involved in a *consumer* buying or selling quoted bonds, including settlement procedures.
- √ To explain the main terms used in relation to the return offered by a bond, including *running* or *flat yield*, *gross redemption yield* and *net redemption yield* and calculate these returns, approximately, in the case of a particular bond.
- √ To list the factors that influence the returns offered by bonds, from time to time.
- √ To describe the different potential risks for a *consumer* investing in a quoted bond.

#### 9. Investment linked life assurance policies

- √ To compare and contrast the main features, benefits, limitations and risks for a *consumer* of the different generic types of investment linked life assurance including regular savings plans and lump sum investment bonds.
- √ To quantify the typical explicit charges of the different generic types of investment linked life assurance policies.
- √ To explain the different ways in which investment linked life assurance policies can be arranged and owned and demonstrate the impact of each arrangement on entitlement to benefit under the policy.
- √ To demonstrate the taxation treatment for the *consumer* of premiums and benefits under the different generic types of investment linked life assurance policies.
- √ To assess the different risks for a *consumer* investing in an investment linked life assurance policy.

#### 10. Tracker Bonds

- √ To describe how generic types of life assurance and deposit Tracker Bonds are structured to provide the benefits promised to the investor.
- √ To illustrate the main differences for the *consumer* in the taxation treatment of returns received from life assurance and deposit based Tracker Bonds.
- √ To explain the different risks for a *consumer* investing in a Tracker Bond.

#### 11. Collective investment scheme

- √ To explain the different legal structures of, regulatory provisions applying to, and describe the main features, benefits, charges and risks for a *consumer* investing in the following forms of

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Savings and Investments

<b>instruments</b>	collective investment scheme instruments, i.e., life assurance investment bonds, unit trusts, designated investment companies, investment limited partnerships, UCITS, BES designated investment funds, and equivalent offshore funds.
<b>12.Exchange Traded Funds (ETFs)</b>	√ To define an Exchange Traded Fund (ETF) and discuss its advantages and disadvantages for a <i>consumer</i> as a means of investing in quoted shares.
<b>13.Derivatives</b>	√ To discuss the main features, benefits and risks for a <i>consumer</i> of investing in financial derivatives, linked to the movement in the value of quoted shares, including the following: <ul style="list-style-type: none"><li>• Contracts for Difference (CFDs)</li><li>• Covered Warrants</li><li>• Options</li><li>• Futures</li></ul>
<b>14.Unquoted shares</b>	√ To describe the main benefits and risks for a <i>consumer</i> investing in unquoted transferable shares, including in particular Film and BES company shares.
<b>15.Personal taxation</b>	<ul style="list-style-type: none"><li>√ To list the main schedules under which Income Tax is assessed and identify the types of income which fall under each schedule.</li><li>√ To apply the main Income Tax reliefs and credits which can be claimed.</li><li>√ To calculate a Capital Gains Tax liability that could arise on the disposal by a <i>consumer</i> of an asset and apply the main exemptions and reliefs which are available.</li><li>√ To demonstrate the taxation treatment of a <i>consumer</i> investing in the following collective investment scheme instruments, i.e., unit trusts, designated investment companies, investment limited partnerships, UCITS, and BES designated investment funds and equivalent offshore funds.</li><li>√ To demonstrate the taxation treatment of a <i>consumer</i> investing in a BES qualifying company and a Film qualifying company.</li><li>√ To demonstrate how a <i>consumer</i> is taxed on profits arising from investing in derivatives, including Contracts for Difference, Covered Warrants, options and futures.</li></ul>
<b>16.Business consumers</b>	<ul style="list-style-type: none"><li>√ To identify the main legal and taxation differences between a partnership and a limited company.</li><li>√ To compare and contrast the main features, benefits, restrictions and taxation treatment of <i>Approved Share Options</i>, <i>Unapproved Share Option schemes</i>, <i>SAYE scheme</i> and <i>Approved Profit Sharing Schemes</i> which employers may provide for employees.</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Savings and Investments

#### 17. The process by which appropriate investment advice is given to the consumer

- ✓ To identify the main items of information about a *consumer* which should be sought *before* providing investment *advice* to that *consumer* on savings and investment products.
- ✓ To analyse information about a *consumer's* financial needs and resources in order to accurately identify, quantify and prioritise their savings and investment needs.
- ✓ To compare and contrast the features, benefits, limitations and risks of different generic types of savings and investment products, so as to be able to recommend to a *consumer* an investment portfolio or product appropriate to that *consumer's* financial needs, resources and attitude to investment risk.
- ✓ To compose a reason why statement setting out in clear terms the reasons underlying any investment *advice* given to the *consumer*.
- ✓ To explain why a regular review of a *consumer's* financial needs and resources should be conducted.

#### 18. Inflation and financial mathematics

- ✓ To illustrate the impact inflation can have over time on a *consumer's* financial needs and resources and on returns from savings and investment products.
- ✓ To calculate a sum accumulated over a specified period at a specified rate of interest, using appropriate accumulation tables.
- ✓ To calculate a sum discounted over a specified period at a specified rate of interest, using appropriate discounting tables.
- ✓ To calculate the *Net Present Value* of a simple investment proposition, using appropriate discounting tables.
- ✓ To define the terms *RIY*, *IRR*, and *CAR* and demonstrate how they can be used to compare different financial products.
- ✓ To describe and calculate measures of the volatility of investment returns.

#### 19. Best practice

- ✓ To describe the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to *consumers*.
- ✓ To recognise the ethical issues arising in relation to the conduct of business.

#### 20. Legislation, regulation and compliance

- ✓ To discuss why Governments seek to regulate financial services companies.
- ✓ To distinguish between *structural*, *systemic*, *prudential* and *consumer protection* regulation.
- ✓ To describe the main functions of the Central Bank of Ireland, including its enforcement powers.



## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Savings and Investments

- √ To describe the main functions of the National Consumer Agency in relation to the provision of financial services to *consumers*.
- √ To list the main functions of the Director of Corporate Enforcement in relation to the regulation of corporate governance.
- √ To explain the regulatory role of the Irish Stock Exchange in relation to Member Firms.
- √ To describe the different types of intermediaries, authorised under the Investment Intermediaries Act, 1995 and registered under the European Communities (Insurance Mediation) Regulations 2005.
- √ To explain the main regulatory requirements which directly apply to the activity of advising *consumers* in relation to savings and investment products, including in particular:
  - the registration and authorisation requirements of *insurance intermediaries*;
  - who prudentially regulates life assurance companies and the role of the Appointed Actuary;
  - the European Communities (Markets in Financial Instruments) Regulations 2007;
  - the European Communities (Insurance Mediation) Regulations, 2005;
  - the European Communities (Distance Marketing of Consumer Financial Services) Regulations, 2004;
  - the main provisions of the Rules of the Irish Stock Exchange Limited;
  - the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland;
  - the conditions of 'execution only' transactions;
  - the Revenue reporting duties of intermediaries who arrange investment in offshore investment funds and foreign policies for Irish residents;
  - obligations on investment firms, insurance intermediaries and investment business firms as *designated persons* under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;
  - the provisions of Life Assurance (Provision of Information) Regulations, 2001;
  - the benefits provided to *consumers* by the Investor Compensation scheme and the limitations of that scheme;
  - the details of the Financial Services Ombudsman Scheme, and how a *consumer* can access the Scheme;
  - the main insider dealing provisions of the Companies Act, 1990;
  - the main provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005, Part 4 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 and the Market Abuse Rules issued by the Central Bank of

## **Appendix 3 – Minimum Competencies for Retail Financial Products**

### **Retail Financial Product: Savings and Investments**

Ireland;

- the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Personal General Insurance

SUBJECT MATTER	COMPETENCIES
<b>1. The concept of insurance</b>	<ul style="list-style-type: none"><li>✓ To explain the nature of general insurance and the insurability of risks.</li><li>✓ To explain the concept of general insurance and the benefits it can provide to <i>consumers</i> in terms of protecting them against the consequences of adverse events.</li><li>✓ To analyse the risks faced by <i>consumers</i> in a comprehensive manner and to identify the extent of appropriate insurance solutions available in the market.</li></ul>
<b>2. Basic legal and insurance principles underlying general insurance</b>	<ul style="list-style-type: none"><li>✓ To illustrate the particular legal principles of <i>insurable interest</i> and <i>utmost good faith</i>.</li><li>✓ To describe the main requirements which these legal principles impose on <i>consumers</i> effecting general insurance policies, including in particular the duty to disclose material facts, and how these principles can impact on payment of claims and continuance of the policy.</li><li>✓ To explain the concept of indemnity and its application to personal general insurance policies.</li><li>✓ To apply the corollaries of indemnity, subrogation and contribution in commonly encountered situations where recovery rights may be exercised or dual insurance exists.</li><li>✓ To explain the operation of the principle of proximate cause in claims situations.</li></ul>
<b>3. The insurance market and contractual considerations</b>	<ul style="list-style-type: none"><li>✓ To explain the way in which the general insurance market operates.</li><li>✓ To describe the different types of intermediary and their responsibilities towards their clients.</li><li>✓ To describe the main elements of a valid contract, how a contract is discharged and the remedies for breach of contract.</li><li>✓ To explain the concept of <i>agency</i> and to know the main duties of an agent to his or her <i>principal</i> and how an agency may be terminated.</li></ul>
<b>4. Underwriting procedures and policy wording</b>	<ul style="list-style-type: none"><li>✓ To explain the general insurance underwriting process and the relationship between underwriting and the premium charged for general insurance policies.</li><li>✓ To describe the typical underwriting measures available to an underwriter when considering a general insurance proposal including restrictions such as the application of warranties.</li><li>✓ To describe the function and legal significance of proposal forms and other insurance documentation and explain the importance of the accuracy and completeness of the information provided.</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Personal General Insurance

SUBJECT MATTER	COMPETENCIES
	<ul style="list-style-type: none"><li>✓ To be able to frame questions (even if outside the scope of the proposal form) which encourage disclosure of the necessary material information for <i>consumers</i> to be provided with the most appropriate product and ensure that they fulfil their duty of utmost good faith.</li><li>✓ To explain insurer rating guides and their application in determining premiums charged to <i>consumers</i>.</li><li>✓ To describe the structure of general insurance policy wordings and common market exclusions and conditions.</li><li>✓ To define <i>reinsurance</i> and state what prompts its use in the underwriting process for general insurance policies and outline the main types of reinsurance.</li></ul>
<b>5. Claims</b>	<ul style="list-style-type: none"><li>✓ To explain the requirements on both the customer and the insurance company throughout the claims settlement process.</li><li>✓ To advise a <i>consumer</i> of the necessary procedures and documentation required to pursue a claim successfully.</li><li>✓ To explain why procedures are necessary that are designed to limit or prevent fraud or exaggeration of claims.</li><li>✓ To describe the role of the legal system and its main parties in the claims settlement process.</li><li>✓ To recognise and establish the extent to which the claim falls (or does not fall) within the scope of an insurance policy and explain why (or why not) to a <i>consumer</i>.</li><li>✓ To explain circumstances when other parties are involved in the claims process and their role and responsibility (InjuriesBoard.ie, solicitors, loss assessors, loss adjusters, appraisers, surveyors and other experts).</li></ul>
<b>6. Risk management process</b>	<ul style="list-style-type: none"><li>✓ To identify the main techniques used in risk management.</li><li>✓ To describe how risk management techniques can protect <i>consumers</i> and their business (physically and financially).</li><li>✓ To identify the main sources of risk management information, such as information provided by relevant government bodies and market associations.</li><li>✓ To analyse information about a <i>consumer's</i> personal situation or that of their business in order to identify means of applying risk prevention, reduction and avoidance techniques and retention options.</li></ul>
<b>7. The process by which appropriate advice is given</b>	<ul style="list-style-type: none"><li>✓ To describe the information and documentation required by insurance organisations for fulfilment of legal and regulatory requirements.</li><li>✓ To describe the main items of information about a <i>consumer</i> that</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Personal General Insurance

SUBJECT MATTER	COMPETENCIES
<b>to the <i>consumer</i> about a general insurance policy</b>	<p>should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> about a general insurance policy.</p> <ul style="list-style-type: none"><li>✓ To be able to analyse information about a <i>consumer's</i> general insurance needs in order to accurately identify, quantify and prioritise their general insurance needs.</li><li>✓ To accurately identify and compare the features, benefits and limitations of different generic types of general insurance policies so as to be able to develop effective solutions to meet a <i>consumer's</i> insurance needs.</li><li>✓ To draft a reason why statement for a <i>consumer</i> setting out in clear terms the reasons underlying any <i>advice</i> given to the <i>consumer</i> regarding a general insurance policy.</li><li>✓ To explain why a regular review of a <i>consumer's</i> general insurance needs should be conducted.</li></ul>
<b>8. Best practice</b>	<ul style="list-style-type: none"><li>✓ To explain the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.</li><li>✓ To explain the ethical issues arising in relation to the conduct of business and the most appropriate means of ensuring ethical behaviour.</li><li>✓ To advise a <i>consumer</i> in relation to the procedures involved in complaints handling and the use of alternative dispute resolution channels in general insurance.</li></ul>
<b>9. In-depth knowledge of personal general insurance</b>	<ul style="list-style-type: none"><li>✓ To describe and explain the scope and limitations of policy covers and standard options available.</li><li>✓ To explain the methods of underwriting, including appropriate reinsurance options.</li><li>✓ To describe and apply the relevant torts of negligence, trespass and strict liability.</li><li>✓ To outline and apply the personal general insurance claims procedures.</li></ul>
<b>10. Legislation, regulation and compliance</b>	<ul style="list-style-type: none"><li>✓ To discuss why Governments seek to regulate financial services companies.</li><li>✓ To distinguish between structural, systemic, prudential and <i>consumer</i> protection regulation.</li><li>✓ To describe the main functions of the Central Bank of Ireland, including its enforcement powers.</li><li>✓ To describe the different types of insurance intermediaries authorised under the Investment Intermediaries Act 1995 and registered under the European Communities (Insurance</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Personal General Insurance

#### SUBJECT MATTER

#### COMPETENCIES

Mediation) Regulations 2005.

- √ To explain the requirements surrounding the authorisation and supervision of insurance undertakings.
- √ To describe the regulations which govern general insurance policies (e.g., scope of policy coverage, renewal).
- √ To describe the developments in the European Union that have influenced the provision of *advice* in relation to general insurance products and the means by which these have been brought into law in Ireland.
- √ To explain the main regulatory requirements which directly apply to the activity of advising *consumers* on and effecting of a general insurance policy, including but not limited to:
  - the registration and authorisation requirements of *insurance intermediaries*;
  - the European Communities (Distance Marketing of Consumer Financial Services) Regulations, 2004;
  - the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland;
  - obligations on insurance intermediaries as *designated persons* under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;
  - the benefits provided to *consumers* by the Investor Compensation Scheme and the limitations of that scheme;
  - the details of the Financial Services Ombudsman Scheme, and how a *consumer* can access the Scheme;
  - the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Commercial General Insurance

SUBJECT MATTER	COMPETENCIES
<b>1. The concept of insurance</b>	<ul style="list-style-type: none"><li>✓ To explain the nature of general insurance and the insurability of risks.</li><li>✓ To explain the concept of general insurance and the benefits it can provide to <i>consumers</i> in terms of protecting them against the consequences of adverse events.</li><li>✓ To analyse the risks faced by <i>consumers</i> in a comprehensive manner and to identify the extent of appropriate insurance solutions available in the market.</li></ul>
<b>2. Basic legal and insurance principles underlying general insurance</b>	<ul style="list-style-type: none"><li>✓ To illustrate the particular legal principles of <i>insurable interest</i> and <i>utmost good faith</i>.</li><li>✓ To describe the main requirements which these legal principles impose on <i>consumers</i> effecting general insurance policies, including in particular the duty to disclose material facts, and how these principles can impact on payment of claims and continuance of the policy.</li><li>✓ To explain the concept of indemnity and its application to commercial general insurance policies.</li><li>✓ To apply the corollaries of indemnity, subrogation and contribution in commonly encountered situations where recovery rights may be exercised or dual insurance exists.</li><li>✓ To explain the operation of the principle of proximate cause in claims situations.</li></ul>
<b>3. The insurance market and contractual considerations</b>	<ul style="list-style-type: none"><li>✓ To explain the way in which the general insurance market operates.</li><li>✓ To describe the different types of intermediary and their responsibilities towards their clients.</li><li>✓ To describe the main elements of a valid contract, how a contract is discharged and the remedies for breach of contract.</li><li>✓ To explain the concept of <i>agency</i> and to know the main duties of an agent to his or her <i>principal</i> and how an agency may be terminated.</li></ul>
<b>4. Underwriting procedures and policy wording</b>	<ul style="list-style-type: none"><li>✓ To explain the general insurance underwriting process and the relationship between underwriting and the premium charged for general insurance policies.</li><li>✓ To describe the typical underwriting measures available to an underwriter when considering a general insurance proposal including restrictions such as the application of warranties.</li><li>✓ To describe the function and legal significance of proposal forms and other insurance documentation and explain the importance of the accuracy and completeness of the information provided.</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Commercial General Insurance

SUBJECT MATTER	COMPETENCIES
	<ul style="list-style-type: none"><li>✓ To be able to frame questions (even if outside the scope of the proposal form) which encourage disclosure of the necessary material information for <i>consumers</i> to be provided with the most appropriate product and ensure that they fulfil their duty of utmost good faith.</li><li>✓ To explain insurer rating guides and their application in determining premiums charged to <i>consumers</i>.</li><li>✓ To describe the structure of general insurance policy wordings and common market exclusions and conditions.</li><li>✓ To define <i>reinsurance</i> and state what prompts its use in the underwriting process for general insurance policies and outline the main types of reinsurance.</li></ul>
<b>5. Claims</b>	<ul style="list-style-type: none"><li>✓ To explain the requirements on both the customer and the insurance company throughout the claims settlement process.</li><li>✓ To advise a <i>consumer</i> of the necessary procedures and documentation required to pursue a claim successfully.</li><li>✓ To explain why procedures are necessary that are designed to limit or prevent fraud or exaggeration of claims.</li><li>✓ To describe the role of the legal system and its main parties in the claims settlement process.</li><li>✓ To recognise and establish the extent to which the claim falls (or does not fall) within the scope of an insurance policy and explain why (or why not) to a <i>consumer</i>.</li><li>✓ To explain circumstances when other parties are involved in the claims process and their role and responsibility (InjuriesBoard.ie, solicitors, loss assessors, loss adjusters, appraisers, surveyors and other experts).</li></ul>
<b>6. Risk management process</b>	<ul style="list-style-type: none"><li>✓ To identify the main techniques used in risk management.</li><li>✓ To describe how risk management techniques can protect <i>consumers</i> and their business (physically and financially).</li><li>✓ To identify the main sources of risk management information, such as information provided by relevant government bodies and market associations.</li><li>✓ To analyse information about a <i>consumer's</i> personal situation or that of their business in order to identify means of applying risk prevention, reduction and avoidance techniques and retention options.</li></ul>
<b>7. The process by which appropriate advice is given</b>	<ul style="list-style-type: none"><li>✓ To describe the information and documentation required by insurance organisations for fulfilment of legal and regulatory requirements.</li><li>✓ To describe the main items of information about a <i>consumer</i> that</li></ul>



## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Commercial General Insurance

SUBJECT MATTER	COMPETENCIES
<b>to the <i>consumer</i> about a general insurance policy</b>	<p>should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> about a general insurance policy.</p> <ul style="list-style-type: none"><li>✓ To be able to analyse information about a <i>consumer's</i> general insurance needs in order to accurately identify, quantify and prioritise their general insurance needs.</li><li>✓ To accurately identify and compare the features, benefits and limitations of different generic types of general insurance policies so as to be able to develop effective solutions to meet a <i>consumer's</i> insurance needs.</li><li>✓ To draft a reason why statement for a <i>consumer</i> setting out in clear terms the reasons underlying any <i>advice</i> given to the <i>consumer</i> regarding a general insurance policy.</li><li>✓ To explain why a regular review of a <i>consumer's</i> general insurance needs should be conducted.</li></ul>
<b>8. Best practice</b>	<ul style="list-style-type: none"><li>✓ To explain the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.</li><li>✓ To explain the ethical issues arising in relation to the conduct of business and the most appropriate means of ensuring ethical behaviour.</li><li>✓ To advise a <i>consumer</i> in relation to the procedures involved in complaints handling and the use of alternative dispute resolution channels in general insurance.</li></ul>
<b>9. In-depth knowledge of commercial general insurance</b>	<ul style="list-style-type: none"><li>✓ To describe and explain the scope and limitations of policy covers and options available.</li><li>✓ To recognise the enquiries required to establish the risk appetite and insurable risks faced by commercial organisations; highlighting issues which are of particular importance to commercial classes of insurance business.</li><li>✓ To explain the methods of underwriting, including appropriate reinsurance options.</li><li>✓ To outline the role of the insurance surveyor.</li><li>✓ To describe and apply the relevant torts of negligence, trespass, strict liability nuisance, defamation, libel and slander.</li><li>✓ To outline and apply the commercial general insurance claims procedures.</li></ul>
<b>10. Legislation, regulation and compliance</b>	<ul style="list-style-type: none"><li>✓ To discuss why Governments seek to regulate financial services companies.</li><li>✓ To distinguish between structural, systemic, prudential and <i>consumer</i> protection regulation.</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Commercial General Insurance

SUBJECT MATTER	COMPETENCIES
	<ul style="list-style-type: none"><li>√ To describe the main functions of the Central Bank of Ireland, including its enforcement powers.</li><li>√ To describe the different types of insurance intermediaries authorised under the Investment Intermediaries Act 1995 and registered under the European Communities (Insurance Mediation) Regulations 2005.</li><li>√ To explain the requirements surrounding the authorisation and supervision of insurance undertakings.</li><li>√ To describe the regulations which govern general insurance policies (e.g. scope of policy, renewals).</li><li>√ To describe the developments in the European Union that have influenced the provision of <i>advice</i> in relation to general insurance products and the means by which these have been brought into law in Ireland.</li><li>√ To explain the main regulatory requirements which directly apply to the activity of advising <i>consumers</i> on and effecting of a general insurance policy, including but not limited to:<ul style="list-style-type: none"><li>• the registration and authorisation requirements of <i>insurance intermediaries</i>;</li><li>• the European Communities (Distance Marketing of Consumer Financial Services) Regulations, 2004;</li><li>• the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland;</li><li>• obligations on insurance intermediaries as <i>designated persons</i> under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;</li><li>• the benefits provided to <i>consumers</i> by the Investor Compensation Scheme and the limitations of that scheme;</li><li>• the details of the Financial Services Ombudsman Scheme, and how a <i>consumer</i> can access the Scheme;</li><li>• the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.</li></ul></li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Private Medical Insurance and Associated Insurances

SUBJECT MATTER	COMPETENCIES
<b>1. The concept of insurance</b>	<ul style="list-style-type: none"><li>✓ To explain the nature of general insurance (including Private Medical Insurance) and the insurability of risks.</li><li>✓ To explain the concept of general insurance and the benefits it can provide to <i>consumers</i> in terms of protecting them against the consequences of adverse events.</li><li>✓ To analyse the risks faced by <i>consumers</i> in a comprehensive manner and to identify the extent of appropriate insurance solutions available in the market.</li></ul>
<b>2. Basic legal and insurance principles underlying general insurance (including Private Medical Insurance)</b>	<ul style="list-style-type: none"><li>✓ To illustrate the particular legal principles of <i>insurable interest</i> and <i>utmost good faith</i>.</li><li>✓ To describe the main requirements which these legal principles impose on <i>consumers</i> effecting general insurance policies, including in particular the duty to disclose material facts, and how these principles can impact on payment of claims and continuance of the policy.</li><li>✓ To explain the concept of indemnity and its application to different classes of general insurance policies.</li><li>✓ To apply the corollaries of indemnity, subrogation and contribution in commonly encountered situations where recovery rights may be exercised or dual insurance exists.</li><li>✓ To explain the operation of the principle of proximate cause in claims situations.</li></ul>
<b>3. The insurance market and contractual considerations</b>	<ul style="list-style-type: none"><li>✓ To explain the way in which the general insurance and private medical insurance market operates.</li><li>✓ To describe the different types of intermediary and their responsibilities towards their clients.</li><li>✓ To describe the main elements of a valid contract, how a contract is discharged and the remedies for breach of contract.</li><li>✓ To explain the concept of <i>agency</i> and to know the main duties of an agent to his or her <i>principal</i> and how an agency may be terminated.</li><li>✓ To demonstrate the fiscal treatment for the <i>consumer</i> of premiums and benefits under private medical insurance policies.</li></ul>
<b>4. Underwriting procedures and policy wording</b>	<ul style="list-style-type: none"><li>✓ To explain the general insurance underwriting process and the relationship between underwriting and the premium charged for general insurance policies.</li><li>✓ To describe the typical underwriting measures available to an underwriter when considering a general insurance proposal including restrictions such as the application of warranties.</li><li>✓ To describe the function and legal significance of proposal forms</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Private Medical Insurance and Associated Insurances

SUBJECT MATTER	COMPETENCIES
	<p>and other insurance documentation and explain the importance of the accuracy and completeness of the information provided.</p> <ul style="list-style-type: none"><li>✓ To be able to frame questions (even if outside the scope of the proposal form) which encourage disclosure of the necessary material information for <i>consumers</i> to be provided with the most appropriate product and ensure that they fulfil their duty of utmost good faith.</li><li>✓ To explain insurer rating guides and their application in determining premiums charged to <i>consumers</i>.</li><li>✓ To describe the structure of general insurance policy wordings and common market exclusions and conditions.</li><li>✓ To define <i>reinsurance</i> and state what prompts its use in the underwriting process for general insurance policies and outline the main types of reinsurance.</li></ul>
<b>5. Claims</b>	<ul style="list-style-type: none"><li>✓ To explain the requirements on both the customer and the insurance company throughout the claims settlement process.</li><li>✓ To advise a <i>consumer</i> of the necessary procedures and documentation required to pursue a claim successfully.</li><li>✓ To explain why procedures are necessary that are designed to limit or prevent fraud or exaggeration of claims.</li><li>✓ To describe the role of the legal system and its main parties in the claims settlement process.</li><li>✓ To recognise and establish the extent to which the claim falls (or does not fall) within the scope of an insurance policy and explain why (or why not) to a <i>consumer</i>.</li><li>✓ To explain circumstances when other parties are involved in the claims process and their role and responsibility.</li></ul>
<b>6. Risk management process</b>	<ul style="list-style-type: none"><li>✓ To identify the main techniques used in risk management.</li><li>✓ To describe how risk management techniques can protect <i>consumers</i> and their business (physically and financially).</li><li>✓ To identify the main sources of risk management information, such as information provided by relevant government bodies and market associations.</li></ul>
<b>7. The process by which appropriate advice is given to the consumer about a general insurance policy</b>	<ul style="list-style-type: none"><li>✓ To describe the information and documentation required by insurance organisations for fulfilment of legal and regulatory requirements.</li><li>✓ To describe the main items of information about a <i>consumer</i> that should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> about a general insurance policy.</li><li>✓ To be able to analyse information about a <i>consumer's</i> general insurance needs in order to accurately identify, quantify and prioritise their general insurance needs.</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Private Medical Insurance and Associated Insurances

SUBJECT MATTER	COMPETENCIES
	<ul style="list-style-type: none"><li>✓ To accurately identify and compare the features, benefits and limitations of different generic types of general insurance policies so as to be able to develop effective solutions to meet a <i>consumer's</i> insurance needs.</li><li>✓ To draft a reason why statement for a <i>consumer</i> setting out in clear terms the reasons underlying any <i>advice</i> given to the <i>consumer</i> regarding a general insurance policy.</li><li>✓ To explain why a regular review of a <i>consumer's</i> general insurance needs should be conducted.</li></ul>
<b>8. Best practice</b>	<ul style="list-style-type: none"><li>✓ To explain the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.</li><li>✓ To explain the ethical issues arising in relation to the conduct of business and the most appropriate means of ensuring ethical behaviour.</li><li>✓ To advise a <i>consumer</i> in relation to the procedures involved in complaints handling and the use of alternative dispute resolution channels in general insurance.</li></ul>
<b>9. In-depth knowledge of Private Medical Insurance</b>	<ul style="list-style-type: none"><li>✓ To describe and explain the legal framework for conducting Private Medical Insurance business.</li><li>✓ To explain the scope and limitations of healthcare insurance policy covers and standard options available.</li><li>✓ To explain the methods of Private Medical Insurance and healthcare insurance underwriting.</li><li>✓ To explain and apply the Private Medical Insurance claims procedures.</li><li>✓ To explain and apply the taxation of premiums and benefits.</li></ul>
<b>10. Associated insurances</b>	<ul style="list-style-type: none"><li>✓ To describe and explain the scope and limitations of policy covers and standard options available for:<ul style="list-style-type: none"><li>• Major medical expenses;</li><li>• Dental insurance;</li><li>• Health cash plans;</li><li>• Travel insurance.</li></ul></li></ul>
<b>11. Legislation, regulation and compliance</b>	<ul style="list-style-type: none"><li>✓ To discuss why Governments seek to regulate financial services companies.</li><li>✓ To distinguish between structural, systemic, prudential and <i>consumer</i> protection regulation.</li><li>✓ To describe the main functions of the Central Bank of Ireland, including its enforcement powers.</li><li>✓ To describe the role of the Health Insurance Authority in relation</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Private Medical Insurance and Associated Insurances

#### SUBJECT MATTER

#### COMPETENCIES

to the regulation of Private Medical Insurance in Ireland.

- √ To describe the different types of insurance intermediaries authorised under the Investment Intermediaries Act 1995 and registered under the European Communities (Insurance Mediation) Regulations 2005.
- √ To explain the requirements surrounding the authorisation and supervision of insurance undertakings.
- √ To describe the regulations which govern general insurance policies (e.g. scope of policy coverage, renewal).
- √ To describe the developments in the European Union that have influenced the provision of *advice* in relation to general insurance products and the means by which these have been brought into law in Ireland.
- √ To explain the main regulatory requirements which directly apply to the activity of advising *consumers* on and effecting of a general insurance policy, including but not limited to:
  - the registration and authorisation requirements of *insurance intermediaries*;
  - the European Communities (Distance Marketing of Consumer Financial Services) Regulations, 2004;
  - the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland;
  - obligations on insurance intermediaries as *designated persons* under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;
  - the benefits provided to *consumers* by the Investor Compensation Scheme and the limitations of that scheme;
  - the details of the Financial Services Ombudsman Scheme, and how a *consumer* can access the Scheme;
  - the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Housing Loans, Home Reversion Agreements and Associated Insurances

SUBJECT MATTER	COMPETENCIES
<b>1. Legal</b>	<ul style="list-style-type: none"><li>✓ To distinguish between <i>ownership</i> and <i>possession</i> of property and explain the two main different forms of ownership and possession of property.</li></ul>
<b>2. Housing loans and home reversion agreements</b>	<ul style="list-style-type: none"><li>✓ To describe the main features, benefits, restrictions and risks for the <i>consumer</i> of the different generic types of housing loans, including in particular the <i>capital &amp; interest</i>, <i>endowment</i>, <i>pension</i> and <i>interest only</i> mortgages.</li><li>✓ To explain what a home reversion agreement is, its main features, benefits, restrictions and risks for the <i>consumer</i>, and how a home reversion agreement differs from a housing loan.</li><li>✓ To identify the main forms of security typically required by a mortgage lender in relation to providing housing loans to <i>consumers</i>.</li><li>✓ To explain the main benefits and risks for the <i>consumer</i> associated with endowment, pension and interest only mortgages.</li><li>✓ To explain the main benefits and risks for the <i>consumer</i> associated with home reversion agreements.</li><li>✓ To compare and contrast the different interest options offered by generic types of housing loans, including in particular <i>variable rate</i>, <i>fixed rate</i> and <i>tracker variable rate</i>.</li><li>✓ To explain how housing loans can be used for '<i>debt consolidation</i>', and describe the benefits, restrictions and risks for the <i>consumer</i> in consolidating other debts and loans into a housing loan.</li><li>✓ To explain the different ways housing loans and home reversion agreements can be used for '<i>equity release</i>', and describe the benefits, restrictions and risks for the <i>consumer</i> in obtaining capital in this manner.</li><li>✓ To discuss the different methods by which housing loan lenders may deal with <i>consumers</i> who have accumulated arrears on a housing loan, including procedures for initiating legal proceedings.</li></ul>
<b>3. Taxation</b>	<ul style="list-style-type: none"><li>✓ To explain the main details of, and apply the tax relief afforded to, mortgage interest for housing loans, including bridging loans.</li><li>✓ To calculate the tax relief afforded to investors on interest payments on housing loans in respect of rented residential property.</li></ul>
<b>4. Associated insurances</b>	<ul style="list-style-type: none"><li>✓ To compare and contrast the main features, benefits, limitations and risks of the different generic types of life assurance protection policies, endowment mortgage policies, pension policies, and general insurance policies which can be used to</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Housing Loans, Home Reversion Agreements and Associated Insurances

SUBJECT MATTER	COMPETENCIES
	<p>provide for housing loan repayment in the event of death, disability or unemployment of the borrower, and/or to accumulate a fund to repay the housing loan by the end of the loan term.</p> <ul style="list-style-type: none"><li>√ To assess the main features, benefits and limitations of the Structural Defect Insurance cover.</li><li>√ To compare and contrast the main features, benefits and limitations of the different generic types of general insurance policies which can be used to insure a house and the contents of a house, mortgaged in connection with a housing loan.</li><li>√ To identify the obligations on mortgage lenders, under the Consumer Credit Act, 1995, in relation to insurance of mortgaged property.</li><li>√ To identify the obligations on mortgage lenders, under the Consumer Credit Act, 1995, in relation to the provision of mortgage protection insurance cover for housing loan borrowers.</li><li>√ To assess the relative advantages and disadvantages for the housing loan borrower of arranging associated insurances under a block policy arranged by the mortgage lender, compared with arranging such cover on an individual policy basis.</li><li>√ To describe the main restrictions on mortgage agents, in the Consumer Credit Act 1995, in relation to linking services in connection with the arrangement or provision of a housing loan.</li></ul>
<b>5. The process by which appropriate advice is given to the consumer about a housing loan and associated insurances</b>	<ul style="list-style-type: none"><li>√ To identify the main items of information about a <i>consumer</i> which should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> about a housing loan and/or associated insurances.</li><li>√ To explain the various items of documentation a mortgage lender will typically seek from a <i>consumer</i> in order to process a housing loan application from that <i>consumer</i>.</li><li>√ To list all the various explicit charges and costs a <i>consumer</i> is likely to bear when applying for and obtaining a housing loan, including the cost of any Payment Protection Insurance the credit institution may offer to arrange for the <i>consumer</i> in connection with the housing loan.</li><li>√ To compare and contrast the features, benefits, costs, limitations and risks of different generic types of housing loans so as to recommend to a <i>consumer</i> a type of housing loan appropriate to that <i>consumer's</i> financial needs, resources and attitude to risk.</li><li>√ To compare and contrast the features, benefits, costs, limitations and risks of different generic types of life assurance and general insurance which can be required as part of a housing loan, so as to recommend to a <i>consumer</i> the type of cover and method of arrangement appropriate to that <i>consumer's</i> financial needs, resources and attitude to risk.</li><li>√ To compose a reason-why statement setting out in clear terms the reasons underlying any <i>advice</i> given to the <i>consumer</i></li></ul>



## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Housing Loans, Home Reversion Agreements and Associated Insurances

SUBJECT MATTER	COMPETENCIES
	regarding a housing loan and/or the arranging of life assurance and/or general insurance related to the housing loan and the mortgaged property.
<b>6. Compound interest</b>	<ul style="list-style-type: none"><li>√ To calculate a sum accumulated over a specified period at a specified rate of interest, using appropriate accumulation tables.</li><li>√ To calculate a sum discounted over a specified period at a specified rate of interest, using appropriate discounting tables.</li><li>√ To define what the term <i>APR</i> means and demonstrate how it can be used to compare different housing loans.</li></ul>
<b>7. Best practice</b>	<ul style="list-style-type: none"><li>√ To describe the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.</li><li>√ To recognise the ethical issues arising in relation to the conduct of business.</li></ul>
<b>8. Regulation</b>	<ul style="list-style-type: none"><li>√ To discuss the main functions of the Central Bank of Ireland, including its enforcement powers.</li><li>√ To explain the main regulatory requirements which directly apply to the activity of advising a <i>consumer</i> on and the arrangement of a housing loan or home reversion agreement:<ul style="list-style-type: none"><li>• the authorisation requirements of <i>mortgage intermediaries</i>, under Part IX Consumer Credit Act 1995;</li><li>• the different obligations and restrictions imposed on <i>mortgage intermediaries</i>, <i>mortgage lenders</i>, and <i>mortgage agents</i> by the Consumer Credit Act, 1995 in relation to housing loans and associated insurance requirements;</li><li>• the European Communities (Distance Marketing of Consumer Financial Services) Regulations, 2004;</li><li>• the provisions of relevant Codes of Conduct , issued by the Central Bank of Ireland;</li><li>• the main functions of the National Consumer Agency in relation to the provision of financial services to <i>consumers</i>;</li><li>• obligations on mortgage lenders as <i>designated persons</i> under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;</li><li>• the details of the Financial Services Ombudsman Scheme, and how a <i>consumer</i> can access the Scheme;</li><li>• the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.</li></ul></li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Consumer Credit Agreements and Associated Insurances

SUBJECT MATTER	COMPETENCIES
<b>1. Consumer contracts</b>	<ul style="list-style-type: none"><li>✓ To explain the main elements of a valid contract, how a contract is discharged and the remedies for breach of contract.</li><li>✓ To describe the main forms of <i>consumer</i> credit agreements subject to Parts 2 to 7 of the European Communities (Consumer Credit Agreements) Regulations, 2010.</li><li>✓ To describe the impact of the European Communities (Unfair Terms in Consumer Contracts) Regulations, 1995 on <i>consumer</i> contracts.</li></ul>
<b>2. Consumer credit agreements</b>	<ul style="list-style-type: none"><li>✓ To describe the form and content of different types of <i>consumer</i> credit agreements, and how they differ from each other.</li><li>✓ To assess the main features of typical credit assessment and underwriting procedures used by creditors when advancing <i>consumer</i> credit.</li><li>✓ To identify the main forms of security which a creditor may require when advancing <i>consumer</i> credit.</li><li>✓ To discuss the information which must be provided by creditors and credit intermediaries to a <i>consumer</i> prior to the conclusion of a credit agreement with that <i>consumer</i>.</li><li>✓ To describe <i>consumer</i> rights and obligations under a <i>consumer</i> credit agreement.</li><li>✓ To discuss the different methods by which creditors may deal with <i>consumers</i> who have accumulated arrears on <i>consumer</i> credit agreements including procedures for initiating legal proceedings.</li></ul>
<b>3. Associated insurances</b>	<ul style="list-style-type: none"><li>✓ To compare and contrast the main features, benefits, limitations and risks of the different generic types of life assurance and general insurance policies which can be used to insure the credit outstanding and/or repayments under <i>consumer</i> credit agreements, in the event of death, disability or unemployment.</li><li>✓ To assess the relative advantages and disadvantages for the <i>consumer</i> of arranging associated insurances under a block policy arranged by the credit institution, compared with arranging such cover on an individual policy basis.</li></ul>
<b>4. The process by which appropriate advice is given to a consumer about consumer credit and associated insurances</b>	<ul style="list-style-type: none"><li>✓ To identify the main items of information about a <i>consumer</i> which should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> about a <i>consumer</i> credit agreement.</li><li>✓ To explain the various items of documentation a creditor will typically seek from a <i>consumer</i> before offering to enter into a <i>consumer</i> credit agreement with that <i>consumer</i>.</li><li>✓ To list all the various explicit charges a <i>consumer</i> is likely to bear when applying for and entering into a <i>consumer</i> credit</li></ul>

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Consumer Credit Agreements and Associated Insurances

#### SUBJECT MATTER

#### COMPETENCIES

agreement, including the cost of any Payment Protection Insurance or other insurance the creditor may offer to arrange for the *consumer* or require the *consumer* to have in connection with the *consumer* credit agreement.

- √ To compare and contrast the features, benefits, limitations and risks of different generic types of *consumer* credit agreements so as to be able to recommend to a *consumer* a form of credit appropriate to that *consumer's* financial needs, resources and circumstances.
- √ To compare and contrast the features, benefits, limitations and risks of different generic types of life assurance and general insurance policies which can insure the credit outstanding and/or repayments on a *consumer* credit agreement, so as to be able to recommend to a *consumer* the type of cover and method of arrangement of such cover appropriate to that *consumer's* financial needs, resources and attitude to risk.
- √ To compose a reason-why statement setting out in clear terms the reasons underlying any *advice* given to a *consumer* regarding the provision of credit and/or the arranging of insurance on the credit outstanding on a *consumer* credit agreement.

#### 5. Compound interest

- √ To calculate a sum accumulated over a specified period at a specified rate of interest, using appropriate accumulation tables.
- √ To calculate a sum discounted over a specified period at a specified rate of interest, using appropriate discounting tables.
- √ To define what the term *APR* means and demonstrate how it can be used to compare different *consumer* credit agreements.

#### 6. Best practice

- √ To describe the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to *consumers*.
- √ To recognise the ethical issues arising in relation to the conduct of business.

#### 7. Regulation

- √ To describe the functions of the National Consumer Agency in relation to the regulation of credit intermediaries.
- √ To explain the main regulatory requirements which directly apply to arranging credit for a *consumer*:
  - the European Communities (Consumer Credit Agreements) Regulations, 2010;
  - the authorisation requirements of *credit intermediaries*, under Part XI Consumer Credit Act 1995;
  - the role of the Central Bank of Ireland in relation to the imposition of charges in *consumer* credit agreements;

## Appendix 3 – Minimum Competencies for Retail Financial Products

### Retail Financial Product: Consumer Credit Agreements and Associated Insurances

#### SUBJECT MATTER

#### COMPETENCIES

- the different obligations and restrictions imposed on *credit intermediaries* and credit institutions by the Consumer Credit Act, 1995 in relation to the provision and advertisement and arranging of *consumer* credit agreements which are subject to Parts 2 to 7 of the European Communities (Consumer Credit Agreements) Regulations, 2010;
- the European Communities (Distance Marketing of Consumer Financial Services) Regulations, 2004;
- the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland applying to credit providers;
- obligations on credit institutions as *designated persons* under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;
- the details of the Financial Services Ombudsman Scheme, and how a *consumer* can access the Scheme;
- the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.

## **Amendment to Appendix 3 of the MCC – Minimum Competencies: Providing Debt Management Services**

Appendix 3 of the MCC is hereby amended, by the addition of the following:

<b>SUBJECT MATTER</b>	<b>COMPETENCIES</b>
<b>1. The concept of debt management</b>	<ul style="list-style-type: none"><li>√ To explain the concept of debt management and the benefits it can provide to consumers.</li><li>√ To explain the role of a debt advisor and the letter of engagement.</li></ul>
<b>2. Legal principles</b>	<ul style="list-style-type: none"><li>√ To explain the main elements of a valid contract, how a contract is discharged and the remedies for breach of contract.</li><li>√ To understand the covenants given by borrowers as part of the terms of a loan agreement and the potential consequences arising from the breach of a covenant.</li><li>√ To understand the responsibilities and potential liability of a professional when providing advice to a consumer.</li></ul>
<b>3. Consumer debt</b>	<ul style="list-style-type: none"><li>√ To understand the most common causes of consumer debt.</li><li>√ To assess different types of creditors and credit arrangements.</li><li>√ To understand the different types of debt, including secured and unsecured loans, loans with and without recourse, taxation, utilities and other debts such as household, education or medical debts, and debts arising from domestic support order of a court.</li><li>√ To understand contingent liabilities, such as guarantee liabilities.</li><li>√ To understand the cost of credit and the components of that cost.</li><li>√ To understand the impact of rent arrears and tenant rights.</li><li>√ To understand the impact of mortgage arrears and the options of recourse available to the creditor, and the rights of the debtor.</li></ul>
<b>4. Mortgage arrears</b>	<ul style="list-style-type: none"><li>√ To understand the background to the causes of the mortgage debt crisis.</li><li>√ To understand the short-and long-term solutions that are available for those in arrears.</li><li>√ To explain the different types of mortgages, including tracker, interest only, fixed interest, variable interest, capital and interest, and Local Authority mortgages.</li><li>√ To understand the repossession process for private dwellings and buy-to-let properties and the rights of the mortgagee.</li></ul>
<b>5. Budgeting</b>	<ul style="list-style-type: none"><li>√ To explain the importance of an effective budget for consumers.</li><li>√ To identify ways that consumers could reduce their expenditure.</li><li>√ To identify ways that consumers could maximise their income.</li><li>√ To be able to prioritise consumer debts, including credit, taxation, utilities and other debts such as household, education or medical debts.</li><li>√ To understand the potential impact on access to arrangements under the Personal Insolvency Act 2012 (Personal Insolvency Arrangements and Debt Settlement Arrangements) of giving</li></ul>

<b>SUBJECT MATTER</b>	<b>COMPETENCIES</b>
	<p>preference to a creditor that substantially reduces the amount available to the debtor to pay debts to other creditors.</p> <p>√ To identify the variety of payment tools available to the consumer and appropriate to the circumstances.</p> <p>√ To understand relevant welfare entitlements and appeals.</p>
<b>6. The process by which appropriate advice is given to the consumer about <i>debt management services</i></b>	<p>√ To recognise the financial needs of various types of consumers at different stages in the debt management process, in particular the needs of distressed debtors.</p> <p>√ To recognise the psycho-social impact on consumers of being in debt and to understand how to deal with distressed consumers, including knowledge of referral options.</p> <p>√ To identify the main items of information that should be sought before providing advice to the consumer on his or her debt management needs.</p> <p>√ To understand the purpose and content of the Standard Financial Statement and a Prescribed Financial Statement.</p> <p>√ To be able to analyse information about a consumer's debt in order to accurately identify, quantify and prioritise his or her debt management needs.</p> <p>√ To be able to assess the extent of consumer debt.</p> <p>√ To understand different types of security and assess the value of security.</p> <p>√ To compare and contrast the different debt management solutions so as to be able to recommend to a consumer a solution appropriate to that consumer's financial situation.</p> <p>√ To compose a statement of suitability for a consumer setting out in clear terms the reasons underlying any recommendation made to the consumer by the firm, an explanation of the options available and the risks and consequences for the consumer of accepting any of those options.</p> <p>√ To explain the role of the Money Advice and Budgeting Service (MABS) in the provision of <i>debt management services</i>.</p>
<b>7. Debt management solutions</b>	<p>√ To explain, compare and contrast the main features, benefits, limitations and risks of the different debt management solutions for individual and corporate consumers, both statutory and non-statutory, including insolvency, bankruptcy, rescheduling and restructuring options, examinership, receivership and liquidation.</p> <p>√ To explain the impact of debt management solutions for the consumer in different circumstances.</p> <p>√ To identify the circumstances in which each debt management solution is appropriate.</p> <p>√ To explain the role of the Courts in debt management and debt enforcement.</p> <p>√ To explain the debt collection and debt enforcement process.</p>

## Amendment to Appendix 3 of the MCC – Minimum Competencies: Providing Debt Management Services

SUBJECT MATTER	COMPETENCIES
<b>8. Personal taxation</b>	<ul style="list-style-type: none"> <li>√ To understand the main schedules under which Income Tax is assessed and identify the types of income which fall under each schedule.</li> <li>√ To understand the main Income Tax reliefs and credits that can be claimed by a <i>consumer</i>.</li> <li>√ To understand a <i>consumer's</i> Income Tax liability, given details of his or her earnings and reliefs.</li> <li>√ To understand when an Inheritance Tax liability could arise on the inheritance of an asset.</li> <li>√ To understand when a Capital Gains Tax liability could arise on the disposal of an asset.</li> <li>√ To assess liability for Local Property Tax.</li> </ul>
<b>9. Negotiation</b>	<ul style="list-style-type: none"> <li>√ To understand the various types of creditors and their rights.</li> <li>√ To assess the approach of the different types of creditors and their possible approach to debt management solutions.</li> <li>√ To understand how to prepare for negotiating with the different types of creditors.</li> <li>√ To be able to negotiate effectively with creditors on behalf of the consumer.</li> </ul>
<b>10. Best practice</b>	<ul style="list-style-type: none"> <li>√ To be able to identify conflicts of interest and manage them appropriately.</li> <li>√ To describe the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.</li> <li>√ To understand responsibilities under data protection legislation.</li> <li>√ To recognise the ethical issues arising in relation to the conduct of business.</li> <li>√ To advise a <i>consumer</i> in relation to the procedures involved in complaints handling and the use of alternative dispute resolution channels.</li> <li>√ To explain the management and protection of consumer funds put in place by the Payment Services Directive.</li> </ul>
<b>11. Legislation, regulation and compliance</b>	<ul style="list-style-type: none"> <li>√ To discuss why Governments seek to regulate financial services companies.</li> <li>√ To distinguish between structural, systemic, prudential and <i>consumer</i> protection regulation.</li> <li>√ To describe the main functions of the Central Bank of Ireland, including its enforcement powers.</li> <li>√ To describe the main functions of the National Consumer Agency in relation to the provision of financial services to <i>consumers</i>.</li> <li>√ To describe the main functions of other regulatory bodies, including the Commission for Energy Regulation (CER) and the</li> </ul>

## **Amendment to Appendix 3 of the MCC – Minimum Competencies: Providing *Debt Management Services***

### **SUBJECT MATTER**

### **COMPETENCIES**

Commission for Communications Regulation (ComReg).

√ To describe the main functions of the Financial Services Ombudsman.

√ To explain the main regulatory requirements which directly apply to the activity of providing *debt management services* to consumers, including in particular:

- The Authorisation Requirements and Standards for Debt Management Firms, as amended from time to time, issued by the Central Bank;
- relevant provisions of the Central Bank Act 1997 in relation to *debt management services*;
- the relevant provisions of the Central Bank Reform Act 2010 in relation to fitness and probity;
- the provisions of relevant Codes of Conduct, issued by the Central Bank, including the Consumer Protection Code 2012 and the Code of Conduct on Mortgage Arrears 2013, as amended from time to time;
- the provisions of the Minimum Competency Code 2011, as amended from time to time, issued by the Central Bank;
- the provisions of relevant codes of conduct issued by the Commission for Energy Regulation (CER), the Commission for Communications Regulation (ComReg) and Local Authorities.
- obligations on financial services providers as *designated persons* under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;
- the details of the Financial Services Ombudsman Scheme, and how a *consumer* can access the Scheme;
- the provisions of the Data Protection Acts 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.