

## AF7 Knowledge Checker

Understanding the AF7 syllabus, will help familiarise yourself with the areas tested in the AF7 exam, and ‘where the examiner is coming from’ in relation to the style of questions asked.



Therefore, it is worth spending some time here, and using a checklist of areas you need to revise and be comfortable with technically before you start looking and practicing on exam-style questions.

To be as helpful as we can, we have come up with our own checklist to assist you, using red, amber and green so that you can select how confident you are in each area. Completing this table at the start of your study of the unit, and then again in the weeks leading up to the exam, will help you to check your progress and identify where to focus your efforts.

Indicate, with a tick in the relevant columns, which subjects you feel you have secure knowledge of, and which you think still need some (or a lot of) work.

Learning Outcome 1 – The pension transfer process	Knowledge Gap	Working Towards	Secure
<b>Key Regulatory rules:</b>			
Financial Conduct Authority (FCA) regulatory rules			
Conduct of Business Sourcebook (COBS) rules			
The Pensions Regulator (TPR) rules			
<b>Roles and responsibilities of:</b>			
Trustees			
Administrator			
Actuary			
Pension Transfer Specialist			
Money & Pensions Service / MoneyHelper			
<b>Pension transfer process key elements:</b>			
Triage / advice boundaries			
Two advisers working together			
CETV assumptions & calculation process			
Appropriate Pension Transfer Analysis (APTA)			
Transfer Value Comparator (TVC)			
Personal recommendation requirements			

Learning Outcome 2 – Key suitability issues	Knowledge Gap	Working Towards	Secure
<b>DB scheme features:</b>			
Guaranteed minimum pension (GMP)			
Revaluation and escalation			
Death and ill health benefits			
Commutation and pension increase exchange (PIE)			

Learning Outcome 2 – Key suitability issues	Knowledge Gap	Working Towards	Secure
Pension commencement lump sum (PCLS)			
Protected retirement ages			
The Transfer Club			
<b>Features and safeguarded benefits within a:</b>			
<b>Section 32 policy</b>			
Including a guaranteed minimum pension			
<b>Retirement annuity contract</b>			
Including a guaranteed annuity rate			
<b>Executive pension plan</b>			
Including guaranteed growth rates			
Death and ill health benefits			
Levels of PCLS including any transitional protection or limitations			
Market value reductions and any other investment fund issues			
Charges			
Protected retirement ages.			
<b>Features of the receiving scheme including:</b>			
Level of PCLS available			
Flexi- access drawdown			
Uncrystallised funds pension lump sum			
Enhanced and impaired annuity options			
Phasing benefits			
Death benefits			
Charges			
Investment options			
<b>Understand the importance of the following factors:</b>			
Investment risk			
Longevity risk and sustainability			
Nomination of beneficiaries			
Bypass trusts			
Matching income and investment strategies			
Safe withdrawal rate			
Sequencing risk			
Economic risk such as inflation and changes in interest			
Annuity risk			
Taxation			

Learning Outcome 2 – Key suitability issues	Knowledge Gap	Working Towards	Secure
<b>Impact on suitability of a pension transfer recommendation:</b>			
Lifetime allowance and transitional protections			
Funding and solvency / employer covenant and recovery			
Pension Protection Fund (PPF)			
Financial Services Compensation Scheme (FSCS)			

Learning Outcome 3 – Pension transfers advice	Knowledge Gap	Working Towards	Secure
<b>Gather sufficient information to satisfy 'know your client' requirements:</b>			
Reconciling client objectives and needs			
Assets and liabilities			
Hard and soft facts			
<b>Attitude to and understanding of:</b>			
Transfer and investment risk			
Capacity for loss			
Previous investment experience			
<b>Analyse suitability or otherwise of pension transfers in various scenarios:</b>			
Defined benefit to defined contribution			
Other plans with safeguarded benefits to defined			
Transfers for future benefit crystallisation			
Transfers for immediate benefit crystallisation			
<b>Analyse impact of these in determining suitability /otherwise of transfer:</b>			
Health and longevity			
Trade-off between retirement needs and other factors			
Wealth preservation and legacy planning			
Taxation			
Debt			
Serious ill health			
Partial transfers			
Cash flow modelling and stress testing			
<b>Alternative solutions to meet client objectives:</b>			
Life assurance			
Short term borrowing			
The use of other assets			

## What next?

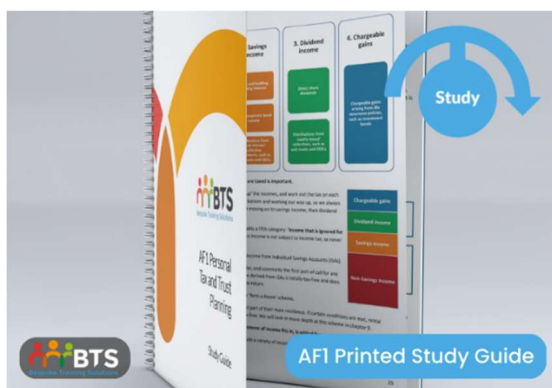
Having worked through your technical check list, and probably identified a long 'to do' list, you may now be thinking what is the next step from here?

The first thing we would recommend is that you take a look through our AF7 Study Plan for your sitting, you can find all of our study plans by visiting <https://careerszone.bespoketrainingsolutions.com/study-support/> or by scanning this QR Code.



## What support is offered by Bespoke Training Solutions for your AF7 exam?

**Study:** If you haven't yet ordered your **BTS study guide**, we would recommend that this is your next step in your learning journey.



BTS study guides are available in a choice of two formats: printed or digital, in a way that starts at the beginning of each learning outcome and gradually builds knowledge and understanding as you work through.

This means that you learn the required areas for your exam 'step by step'.

**The guides are designed as full replacements for the CII text, so you can book the exam stand-alone.**

They contain practice questions, end of chapter tests and a full specimen exam, all of which include rationale for the answers. BTS questions replicate the CII exam standard as closely as possible.

**Training:** BTS also offer **remote workshops**, which will focus on key exam areas and are fantastic as a revision workshop before an exam attempt.

**E-Learning:** For AF7, there is also an **e-learning module**, which covers the same key learning outcomes as a BTS revision workshop.

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