



European Financial Planning Association

EFPA EIP Syllabus

European Investment Practitioner®

PREAMBLE

The EIP (European Investment Practitioner[®] Certification) is for those who offer a basic advisory service.

Certification designed to meet the requirements set by art. 18 of the ESMA Guidelines on knowledge and competences for staff giving investment advice. The training programs should be covered in a minimum of 10 classroom days or 80 tuition hours (or equivalent).

CONTENTS OF THE EIP CERTIFICATION

Module	Topic	Duration (days/hours)
Module 1	ECONOMIC ENVIRONMENT	1,0 / 8
Module 2	FINANCIAL MARKETS	0,5 / 4
Module 3	INVESTMENT PRODUCTS	4,5 / 36
Module 4	ASSESSING CLIENTS NEEDS	0,5 / 4
Module 5	PORTFOLIO CONSTRUCTION AND SELECTION ACCORDING TO CLIENT NEEDS	1,5 / 12
Module 6	INVESTMENT PRODUCTS FOR INSURANCE AND RETIREMENT PURPOSES	1,0 / 8
Module 7	REGULATION AND ETHICS	1,0 / 8
Module 8	GREEN FINANCE	1.0 / 8
Module 9	FINTECH	0.5 / 4
	TOTAL	11,5 / 92

This training, which covers all fields of the financial professions, allows an investment adviser to acquire solid foundations while having his knowledge and skills recognized through European certification.

THE CERTIFICATION IN DETAILS

Module 1	Contents	K	A	AP
1.1 Foundations of economy	a. Basic economic concepts			
1.2 Real economy and financial economy	a. Definition of economic policy and monetary policy b. Main goals and instruments of economic policy and monetary policy. c. Country's financial balance. d. Sector's financial balance			
1.3 Relationship between real economy and financial markets	a. The impact of country's financial position on the outstanding public debt and the need of new issues of government bonds b. The impact of economic and political dynamics on financial markets c. Relation between economic cycles and financial markets			
Module 2	Contents	K	A	AP
2.1 Financial system	a. Components of the financial system			
2.2 Financial markets structure	a. Structure of financial markets according to traded financial instruments			
2.3 Trading mechanisms of securities on financial markets	a. Primary and secondary market b. Issuing mechanisms c. Types of markets d. Types of orders e. National trading venues for each type of investment products			
Module 3	Contents	K	A	AP
3.1 Foundation of investments	a. Time value of money: simple versus compound interest b. Present and future value of a capital			
3.2 Investment products taxation	a. Types of taxable income/profits from financial investments b. Different regimes to declare income/profits from financial investments			
3.3 Money markets instruments	a. Deposits b. Repurchase agreement c. Treasury Bills d. Money market indexes (Eonia, Euribor)			
3.4 Bonds	a. Basic features of bonds b. Bond yield c. Bond risk d. Taxation			
3.5 Equities	a. Equity securities characteristics b. Elements of equity valuation c. Return from equity investing d. Equity risk e. Taxation			
3.6 Derivatives	a. The basics of Futures contracts b. The basics of options c. Taxation			
3.7 Foreign currency	a. Definition of foreign exchange market b. Possible quotations of exchange rates c. Foreign exchange cross rates d. Impact of foreign exchange rate fluctuations on the investment in non-euro denominated products			

3.8 Mutual Funds	<ul style="list-style-type: none"> a. Mutual Funds Overview b. Mutual Funds and their investment policy c. Analysis and Selection of Funds d. Taxation 			
3.9 Certificates and ETC	<ul style="list-style-type: none"> a. Definition of securitized derivatives b. Parties involved in certificates c. Main categories of certificates d. Exchange Traded Commodities 			
3.10 Complex products	<ul style="list-style-type: none"> a. Understanding the complexity features of investment products b. ESMA and National Authority definition of complex products 			
Module 4	Contents	K	A	AP
4.1 Assessing client needs	<p>MiFID and ESMA regulation on “Know your customer rule”</p> <ul style="list-style-type: none"> a. Set of information to collect from clients b. The key elements for a good questionnaire c. Suitability and appropriateness d. Updating the questionnaire given potential changes occurring to clients e. Determining client’s risk profile in order to be able to select the proper investments portfolio 			
Module 5	Contents	K	A	AP
5.1 Analysis of markets return and risk (at single asset class level)	<ul style="list-style-type: none"> a. Time series analysis of financial assets. 			
5.2 Diversification benefit and portfolio risk	<ul style="list-style-type: none"> a. Time series analysis of the behavior of a couple of asset classes. b. Portfolio return and risk. 			
5.3 Principle of portfolio construction	<ul style="list-style-type: none"> a. The process of asset allocation in a mean – standard deviation framework. 			
5.4 Principle of portfolio selection	<ul style="list-style-type: none"> a. Selection of portfolio from the efficient frontier 			
5.5 Elements of portfolio performance evaluation	<ul style="list-style-type: none"> a. Portfolio performance measurement. 			
Module 6	Contents	K	A	AP
6.1 Life insurance products	<ul style="list-style-type: none"> a. Types and main features of investment-oriented life insurance products (index linked, unit linked, separate managed life insurance product) b. Parties of the contract c. Types of settlement options (fixed amount option, fixed period option and for life option) d. Taxation of life insurance products 			
6.2. Retirement and pension system and products	<ul style="list-style-type: none"> a. Three pillar pension system b. Retirement and pension products c. Taxation of retirement products 			

Module 7	Contents	K	A	AP
7.1 Investment Services Regulation	<ul style="list-style-type: none"> a. The list of investment services and ancillary services b. The regulation of investment services (rules of conduct : Mifid) c. Specific rule for investment advice (inducements, independent and non-independent advice) d. Reporting to clients on service provided e. ESMA guidelines for the assessment of knowledge and competence f. Advisors liability. 			
7.2 Financial Markets Regulation	<ul style="list-style-type: none"> a. The primary legislation on the functioning of secondary markets b. The market abuse regulation c. The anti-money laundering regulation 			
7.3 Reputational risk and ethics	<ul style="list-style-type: none"> a. Sources of reputational risk for investment firms b. Consequences of reputational risk for investment firms c. EFPA Code of Ethics 			

Module 8	Contents	K	A	AP
8.1 Key definitions, developments and drivers	<ul style="list-style-type: none"> a. Importance of environmental, social and governance risks b. The concept and risks of climate change c. Definition of sustainable finance and ESG investing d. Brief introduction to key concepts in a historical context – corporate and social responsibility, ethical, socially responsible, thematic and impact investing e. Main international Agreements: UN 2030 Agenda for Sustainable Development and Paris Agreement on Climate Change f. European Commission initiatives: Action Plan on Financing Sustainable Growth (including Taxonomy and Ecolabel) and European Green Deal g. UN PRI Interventions 			
8.2 ESG Factors and impact on security analysis/valuation	<ul style="list-style-type: none"> a. General environmental, social and governance factors/issues b. Reporting and sources of analysis of non-financial information (philosophy and scope of GRI, SASB and TFCF) c. Main providers ESG ratings and company analysis 			
8.3 Engagement: elevating the importance of sustainability issues at companies' level	<ul style="list-style-type: none"> a. Understanding engagement versus exclusion/divesting. b. The relevance of corporate social responsibility to attain and disclose sustainability goals. c. Greenwashing and associated reputational responsibility/risk. 			
8.4 EU legal framework on the integration of ESG factors by investment firms and financial advisors	<ul style="list-style-type: none"> a. Main EU-level harmonized criteria to determine whether an activity is environmentally sustainable. b. Disclosure of information by investment firms and financial advisors on the integration of sustainability risks in investment decision-making processes and advice on financial products. 			

Module 9	Contents	K	A	AP
9.1 Data Management & Cleaning	<ul style="list-style-type: none"> a. Data cleaning mechanism b. Data management system 			
9.2 The fields already covered by fintech	<ul style="list-style-type: none"> a. Crow funding world b. Fund industry c. Robot advisors d. Online services e. Regtech 			
9.2 The implication on asset allocation	<ul style="list-style-type: none"> a. Machine learning process b. Artificial intelligence 			



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