

ACA Syllabus and Technical Knowledge Grids

Professional Level

FOR EXAMS IN 2025

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ACA overview

The ICAEW chartered accountancy qualification, the ACA, is one of the most advanced learning and professional development programmes available. Its integrated components provide an in-depth understanding across accountancy, finance and business. Combined, they help build the technical knowledge, professional skills and practical experience needed to become an ICAEW chartered accountant.

Each component is designed to complement each other, which means that students can put theory into practice and can understand and apply what they learn to their day-to-day work.

The four components are:



ICAEW constantly reviews the content of the ACA qualification to reflect real life business challenges. Today's most urgent business challenges range from sustainability, to rapid changes in technology and the role of ethics in the profession. We work closely with employers, tuition providers, academics and examiners to ensure that the ACA equips the chartered accountants of the future with the skills and knowledge they need to meet these challenges and to be successful.

THE ACA QUALIFICATION AND SUSTAINABILITY

Finance and accounting professionals need to move beyond simply measuring and reporting the impact of climate change, environmental regulation, supply chain pressure and rising energy costs. They must focus on understanding these and other emerging sustainability-related implications, integrating them into financial management and business planning. ICAEW has been at the forefront of this movement over the past decade and has adapted the ACA qualification to reflect that. We see its role as not simply integrating knowledge and understanding the broader implications of environmental, social and governance issues into organisations, but also seeding this thinking into the mindset of our members.

Our syllabus and ethical and professional development framework contribute towards creating ICAEW chartered accountants who recognise that sustainability is at the core of what they do and are capable of actively using their business skills to analyse how to make the new sustainable economy work for their business.

Despite some unfamiliar terminology associated with sustainability issues, there is much that is closely related to the skills and experience of ICAEW chartered accountants; for example, the identification and management of risks, corporate governance, compliance with laws and regulations, design and

operation of management control systems, measurement of liabilities and impaired assets, information reporting and assurance, financial instruments, and new forms of taxation. Where the technical issues extend beyond an accountant's reach, working with other experts is already recognised as good practice.

THE ACA QUALIFICATION AND TECHNOLOGY

Changes in technology have automated many routine aspects of accountancy. But with changes in technology also come complexity and risk. Accountants need to adapt and develop new skills to manage these changes.

While there are many new technology capabilities that have broad application across the business and consumer environment, seven trends have the greatest potential to transform the accountancy profession: **A**rtificial intelligence, **A**utomation, **B**lockchain, **C**yber security, **C**loud computing, and **D**ata and **D**igital Transformation (ABCD of technology).

These and other innovations are likely to have a significant impact on the way that accountants access information, transact and manage business finances. Technology tools can provide information more quickly and often more accurately than humans, but they cannot replicate human intelligence and quality decision making, or effectively communicate the output of analysis. Therefore, chartered accountants hold key roles such as validating the source of the data, interpreting and analysing the outputs, and ensuring the tools support effective management of the organisation.

As routine and compliance work reduces, there is greater focus on the development of skills which equip professionals to work with the outputs of automated processes, with other specialists, and in a changing world.

We believe that skills such as analysis, interpretation, professional scepticism, communication, collaboration, adaptability, resilience, and commerciality are essential for tomorrow's business leaders; these are embedded throughout the ACA exams and professional development framework.

THE ACA QUALIFICATION AND ETHICS

Culture and values are central to long-term success. How a business adopts an ethical approach towards its staff, shareholders, customers and regulators, as well as within its own operations, has a bigger impact than any performance measure or operational improvement.

Demonstrating a clear commitment to ethical behaviour is one of the main drivers of better performance; it delivers an advantage when recruiting, it adds value to a brand, and it instils trust and confidence in partners, suppliers and others that the organisation is well run and resilient.

Achieving that is not a matter of simple knowledge. Few ethical challenges will have simple right and wrong responses. They require technical understanding, rigorous appraisal, application of professional scepticism and skilful handling. Accountants must have the necessary skills to apply professional judgement in a given situation, taking into account what has been learned as an ACA student about their ethical responsibilities as a chartered accountant.

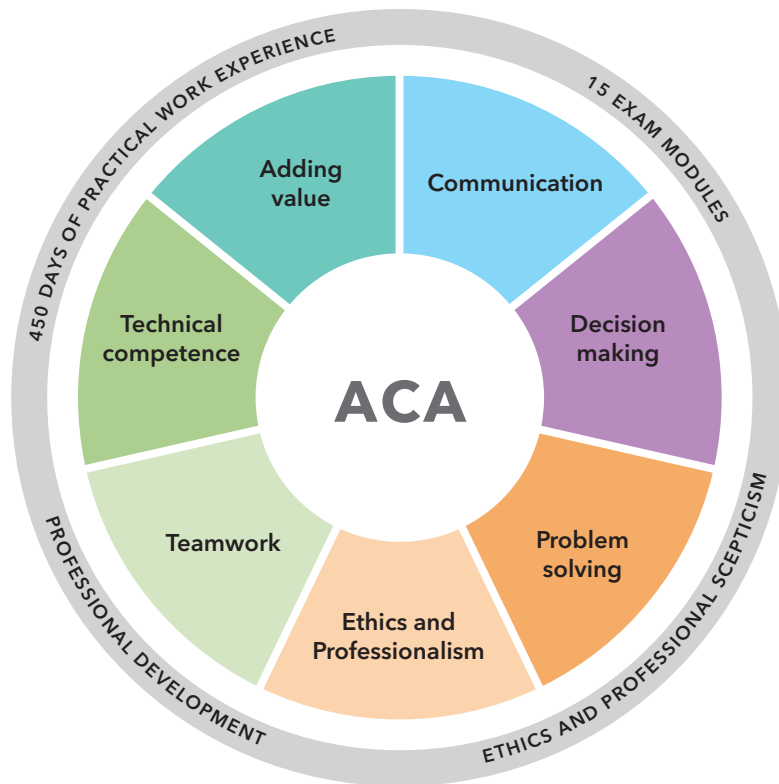
There will be unique ethical challenges throughout any chartered accountant's process of learning and career. They serve a variety of masters: senior management, external stakeholders, regulators; and above all the public interest responsibility of their profession. Because of the rigorous and effective training (and continued professional development) chartered accountants can speak up and take a lead.

None of this can happen without one critical element: professionalism. That goes beyond merely knowing the Code of Ethics: it means embodying the right behaviours and having the ability and willingness to push back against those who might compromise the integrity of the business.

That confidence comes from a qualification that prioritises not only technical knowledge of the ethical framework but also challenges accountants with scenarios that accurately reflect the ethical dilemmas a chartered accountant may face in business.

ACA components

PROFESSIONAL DEVELOPMENT



ICAEW chartered accountants are known for their professionalism and expertise. Professional development prepares students to successfully handle a variety of different situations that they encounter throughout their career. The ACA qualification improves students' ability and performance in seven key areas:

- Adding value - add value to the organisation, team or role in order to achieve objectives.
- Communication - communicate effectively at all levels, using oral, written and presentational skills to achieve positive outcomes.
- Decision making - gather, interpret and evaluate data to make effective decisions.
- Ethics and professionalism - behave ethically and sustainably while respecting others to uphold the values of the organisation and the accountancy profession.
- Problem solving - analyse a problem, generate options and make recommendations to arrive at appropriate solutions.
- Teamwork - work collaboratively as a member or leader of a team to achieve shared goals.
- Technical competence - seek, learn and use technology and technical information to support the achievement of organisation or team goals.

ETHICS AND PROFESSIONAL SCEPTICISM

Ethics is more than just knowing the rules around integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. It's about identifying ethical dilemmas, understanding the implications, making judgements and behaving appropriately as well as using professional scepticism to build business trust. We integrate ethics throughout the ACA qualification to develop students' ethical capabilities to make suitable decisions. We embed ethics into the ACA and develop students' ethical capabilities in three ways:

1. **ICAEW Ethics Learning Programme** – this online programme gives students a fundamental underpinning in ethics. It ensures knowledge of the ICAEW Code of Ethics, its fundamental principles and the ability to apply safeguards to ethical threats. It encourages questioning and engaging ethical thinking in a wide range of applications.
2. **Integration of ethical issues into all 15 ACA exams** – students are assessed on their understanding of, and reaction to, ethical dilemmas within the context of the subject matter of each module. Progression is made from identification of issues to judgements on perspectives, conflicts and responsibilities.
3. **Practical application** – having learnt the ethical principles and requirements via the Ethics Learning Programme, applying them in context within the ACA exams, students develop and apply ethical skills and behaviours within their daily work experience supported by their six-monthly reviews with their employer and the professional development framework.

Professional scepticism is a key professional skill that supports effective decision making. Chartered accountants must take an enquiring, questioning approach, not always accepting information at face value. We embed the requirement to apply professional scepticism within exam questions; students can expect to have to apply this skill in one or more of the following ways:

- Obtain and understand information relevant for making reliable judgements based on facts and circumstances known to them.
- Make informed challenges of views developed by others.

- Be sensitive to the integrity of information, including the source of information and the appropriateness of its presentation.
- Withhold judgement pending thoughtful consideration of all known and relevant available information.
- Be alert to potential bias or other impediments to the proper exercise of professional judgement.

PRACTICAL WORK EXPERIENCE

Practical work experience is undertaken as part of a training agreement with an authorised training employer or principal. Students need to complete at least 450 days, which normally takes between three and five years. The knowledge, skills and experience they gain as part of their training are invaluable, giving them the opportunity to put what they're learning into practice. Experience can be completed in at least one of the following six categories:

1. Accounting.
2. Audit and assurance (audit is not compulsory).
3. Financial management.
4. Information technology.
5. Insolvency.
6. Taxation.

Student practical work experience should:

- include responsibility levels that increase in depth and scope as the student progresses through their training;
- be recorded throughout their training agreement; and
- expose them to as many different practical assignments, finance functions and/or clients in as many different sectors as possible.

15 ACCOUNTANCY, FINANCE AND BUSINESS EXAMS

Students gain in-depth knowledge across a broad range of topics in accountancy, finance and business. The exams are designed to complement their practical work experience, so they constantly progress through the qualification.

There are 15 exams over three levels – Certificate, Professional and Advanced. They can be taken in any order, except for the Case Study which has to be attempted last, within the final year of an ACA training agreement and once all other exams have been attempted or received credit.



CERTIFICATE LEVEL

There are six exams at this level that introduce the fundamentals of accountancy, finance and business. Students may be eligible for credit for some exams if they have studied a qualification we recognise. Find out more at [icaew.com/cpl](https://www.icaew.com/cpl).

The Certificate Level exams are each 1.5 hours long, have a 55% pass mark, and can be sat throughout the year.

PROFESSIONAL LEVEL

The next six exams build on the fundamentals and test students' understanding and ability to use technical knowledge in real-life scenarios. The exams can be taken in March, June, September and December. Please note, the Business Planning alternative exams for banking and insurance are available at the June, September and December sittings.

The Professional Level exams are 2.5 hours long, except for Financial Accounting and Reporting which is 3 hours long. Each exam has a 55% pass mark.

Prescribed texts are permitted for Audit and Assurance, Finance Accounting and Reporting and Tax Compliance, with the Business Planning exams being open book.

The Professional Level exams are flexible and can be taken in any order to fit with a student's

day-to-day work. The Business Planning and Business Strategy and Technology exams in particular help students to progress to the Advanced Level.

Alternative exams are available for the Business Planning and Financial Accounting and Reporting modules.

The Business Planning exams provide students with the opportunity to gain subject- and sector-specific knowledge while studying for the ACA. The suite of Business Planning exams is based on the same syllabus structure and skills frameworks, and will give students the opportunity to demonstrate their learning and use this in the context of taxation, banking or insurance. There are three to choose from - Business Planning: Taxation, Business Planning: Banking, and Business Planning: Insurance. Students will need to sit one of the Business Planning exams.

Alternative financial reporting exams are also available for Financial Accounting and Reporting. Students can choose between two different contexts, either UK GAAP or IFRS Standards. This means that students can study the financial reporting framework most beneficial to their employer and clients. Students will need to sit one version of the Financial Accounting and Reporting exam.

An authorised training employer or principal will guide their students on the exams which are right for them. If a student is studying the ACA independently, they should consider their future ambitions when selecting which exams to sit.

ADVANCED LEVEL

The Corporate Reporting and Strategic Business Management exams test students' understanding and strategic decision-making at a senior level. They present real-life scenarios, with increased complexity and implications from the Professional Level exams.

The Case Study tests all the knowledge, skills and experience gained so far. It presents a complex business issue which challenges students' ability to problem solve, identify the ethical implications and provide an effective solution.

The Advanced Level exams can be taken in July and November. They are fully open book, so they replicate a real-life scenario where all the resources are at their fingertips.

The Corporate Reporting and Strategic Business Management exams are 3.5 hours long. The Case Study exam is 4 hours long. Each has a 50% pass mark.

For more information, guidance and support on exams, visit the exam resources area on our website at [icaew.com/examresources](https://www.icaew.com/examresources).

FLEXIBILITY

There are no regulations stipulating the order in which students must attempt the exams, allowing employers to design training programmes according to business needs. The exception to this rule is the Advanced Level Case Study exam, which must be the last exam attempted and when a student has entered their final year of training.

Students will be permitted a maximum of four attempts at each Certificate and Professional Level exam, and unlimited attempts at the Advanced Level exams.

CREDIT FOR PRIOR LEARNING (CPL)

Students with previous qualifications may be eligible to apply for CPL for up to 12 modules at the Certificate and Professional Levels. CPL is not available at the Advanced Level. For more information, visit [icaew.com/cpl](https://www.icaew.com/cpl).

PERMITTED TEXTS

For some Professional Level exams, students are permitted to use certain publications during the exam.

The Professional Level Business Planning exams and Advanced Level exams are open book, so students can use any material and texts during their exam. Students will have access to their personal ICAEW Bookshelf, containing their copies of the digital learning materials, including any highlights and notes that they have made during their study. Students may also take in any hard copy materials, subject to practical space restrictions.

Details of the specific permitted texts, and how materials can be accessed within exams can be found at [icaew.com/permittedtexts](https://www.icaew.com/permittedtexts).

DATA ANALYTICS IN EXAMS

Chartered accountants are increasingly using more advanced approaches to interrogate client data. Embedding these techniques within our exams ensures that we continue to reflect the current and future workplace and will also help to develop students' judgement, professional scepticism and critical thinking skills.

The use of data analytics in exams is split between the use of data analytics software and the use of spreadsheet functionality, as described below.

Data analytics software

ICAEW has incorporated data analytics software within the Audit and Assurance and Corporate Reporting modules.

In the Audit and Assurance and Corporate Reporting exams, students will be provided with a dataset including thousands of transactions. They will be expected to use their data analytic skills to interrogate the data and identify areas of concern or items which warrant further investigation.

Use of spreadsheet functionality

A number of spreadsheet functions have become part of the learning materials and skills required of students. These cover three categories of data analysis, namely: structuring and assimilating data, statistical calculations and financial functions.





Within the Financial Management, Business Strategy and Technology and Strategic Business Management exams students may be examined in the following ways:

1. Data will be provided in the question, and the student should populate the spreadsheet based on the data in the question.
2. A spreadsheet will be provided in the exam with pre-populated data for the student to structure, assimilate, interpret and evaluate.

Details of the use of data analytics in the exams can be found at [icaew.com/das](https://www.icaew.com/das).

Skills progression through the ACA exams

The complete set of professional skills that ICAEW chartered accountants are required to develop during their training are detailed in the seven key areas of skills covered in the previous section on professional development. A subsection of these skills are embedded in the 15 modules and assessed in exams. The following skills are present throughout the 15 accountancy, finance and business modules:

SKILL	OVERALL
Assimilating and using information 	Understand a business or accounting situation, prioritise by determining key drivers, issues and requirements and identify and use relevant information.
Structuring problems and solutions 	Structure information from various sources into suitable formats for analysis and provide creative and pragmatic solutions in a business environment.
Applying judgement 	Apply professional scepticism and critical thinking to identify faults, gaps, inconsistencies and interactions from a range of relevant information sources and relate issues to a business environment.
Concluding, recommending and communicating 	Apply technical knowledge, skills and experience to support reasoning and conclusion and formulate opinions, advice, plans, solutions, options and reservations based on valid evidence and communicate clearly in a manner suitable for the recipient.

The level of skill required to pass each exam increases as ACA trainees progress upwards through each Level of the ACA exams. The skills progression embedded throughout the ACA qualification ensures ACA trainees develop the knowledge and skills to successfully operate in the modern workplace and which are expected by today's forward-thinking employers.

Skills	Certificate Level		Professional Level		Advanced Level	
	Assurance, Business, Technology & Finance, Law	Principles of Taxation, Management Information, Accounting	Financial Accounting & Reporting, Audit & Assurance, Financial Management, Tax Compliance	Business Planning and Business Strategy & Technology	Corporate Reporting and Strategic Business Management	Case Study

 **Assimilating and using information**

Understanding the situation and the requirements	Objective testing	Objective testing and simple scenarios	Scenarios		Complex scenarios	Unstructured complex business scenarios
Identifying and using relevant information	Information as provided		Single information source provided	Several information sources provided	Multiple information sources provided	Multiple information sources including own research
Identifying and prioritising key issues	Issues given		Issues included in scenarios		Issues included in complex scenarios	Issues included in unstructured complex scenarios

 **Structuring problems and solutions**

Structuring data	Specified techniques		Specified techniques	Techniques inferred by nature of problem	Techniques inferred by nature of problem	Unspecified techniques
Developing solutions	Highly specified tasks	Specified problems	Specified problems		Specified and implicit problems	Defined output but unspecified problems

 **Applying judgement**

Applying professional scepticism and critical thinking	Objective testing		Specified requirement in simple scenario	Specified requirement in scenario	Specified requirement in complex scenario	Underlying requirement within complex scenario
Relating issues to the broader business environment, including ethical issues	Objective testing	Objective testing and Issues in simple scenarios	Issues in scenarios		Issues in complex scenarios	Issues in complex, unstructured scenarios

 **Concluding, recommending and communicating**

Concluding and recommending	Objective testing	Not assessed	Specified conclusions and recommendations in simple scenarios		Specified conclusions and reasoned recommendations in complex scenarios	Conclusions and recommendations supported by own evidence
Communicating	Prescribed exam format		Exam requirements, including some professional presentation		Professional presentations including reasoned recommendations	Professional report with appendices

PROFESSIONAL SKILLS ASSESSED IN THE ACA EXAMS

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">• Demonstrate understanding of the business context.• Recognise new and complex ideas within a scenario.• Identify the needs of customers and clients.• Explain different stakeholder perspectives and interests.• Identify risks within a scenario.• Identify elements of uncertainty within a scenario.• Identify ethical issues including public interest and sustainability issues within a scenario.	<ul style="list-style-type: none">• Interpret information provided in various formats.• Evaluate the relevance of information provided.• Use multiple information sources.• Filter information provided to identify critical facts.• Identify and interpret information in data analytics software.	<ul style="list-style-type: none">• Identify business and financial issues from a scenario.• Prioritise key issues.• Work effectively within time constraints.• Operate to a brief in a given scenario.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">• Structure information from various sources into suitable formats for analysis.• Identify any information gaps.• Frame questions to clarify information.• Use a range of data types and sources to inform analysis and decision-making.• Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes.• Present analysis in accordance with instructions and criteria.• Use spreadsheets to assimilate, structure and analyse data.	<ul style="list-style-type: none">• Identify and apply relevant technical knowledge and skills to analyse a specific problem.• Use structured information to identify evidence-based solutions.• Identify creative and pragmatic solutions in a business environment.• Identify opportunities to add value.• Identify and anticipate problems that may result from a decision.• Identify a range of possible solutions based on analysis.• Identify ethical dimensions of possible solutions.• Select appropriate courses of action using an ethical framework.• Identify the solution which is the best fit with acceptance criteria and objectives.• Define objectives and acceptance criteria for solutions.

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none">• Recognise bias and varying quality in data and evidence.• Identify assumptions or faults in arguments.• Identify gaps in evidence.• Identify inconsistencies and contradictory information.• Assess interaction of information from different sources.• Exercise ethical judgement.	<ul style="list-style-type: none">• Appreciate when more expert help is required.• Identify related issues in scenarios.• Assess different stakeholder perspectives when evaluating options.• Retain an overview of the business issue or scenario.• Appraise corporate responsibility and sustainability issues.• Appraise the effects of alternative future scenarios.• Appraise ethical, public interest and regulatory issues.

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Recommendations:	Communication:
<ul style="list-style-type: none">• Apply technical knowledge to support reasoning and conclusions.• Apply professional experience and evidence to support reasoning.• Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.	<ul style="list-style-type: none">• Present recommendations in accordance with instructions and defined criteria.• Make recommendations in situations where risks and uncertainty exist.• Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence.• Make evidence-based recommendations which can be justified by reference to supporting data and other information.• Develop recommendations which combine different technical skills in a practical situation.	<ul style="list-style-type: none">• Present a basic or routine memorandum or briefing note in writing in a clear and concise style.• Present analysis and recommendations in accordance with instructions.• Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient.• Prepare the advice, report, or notes required in a clear and concise style.

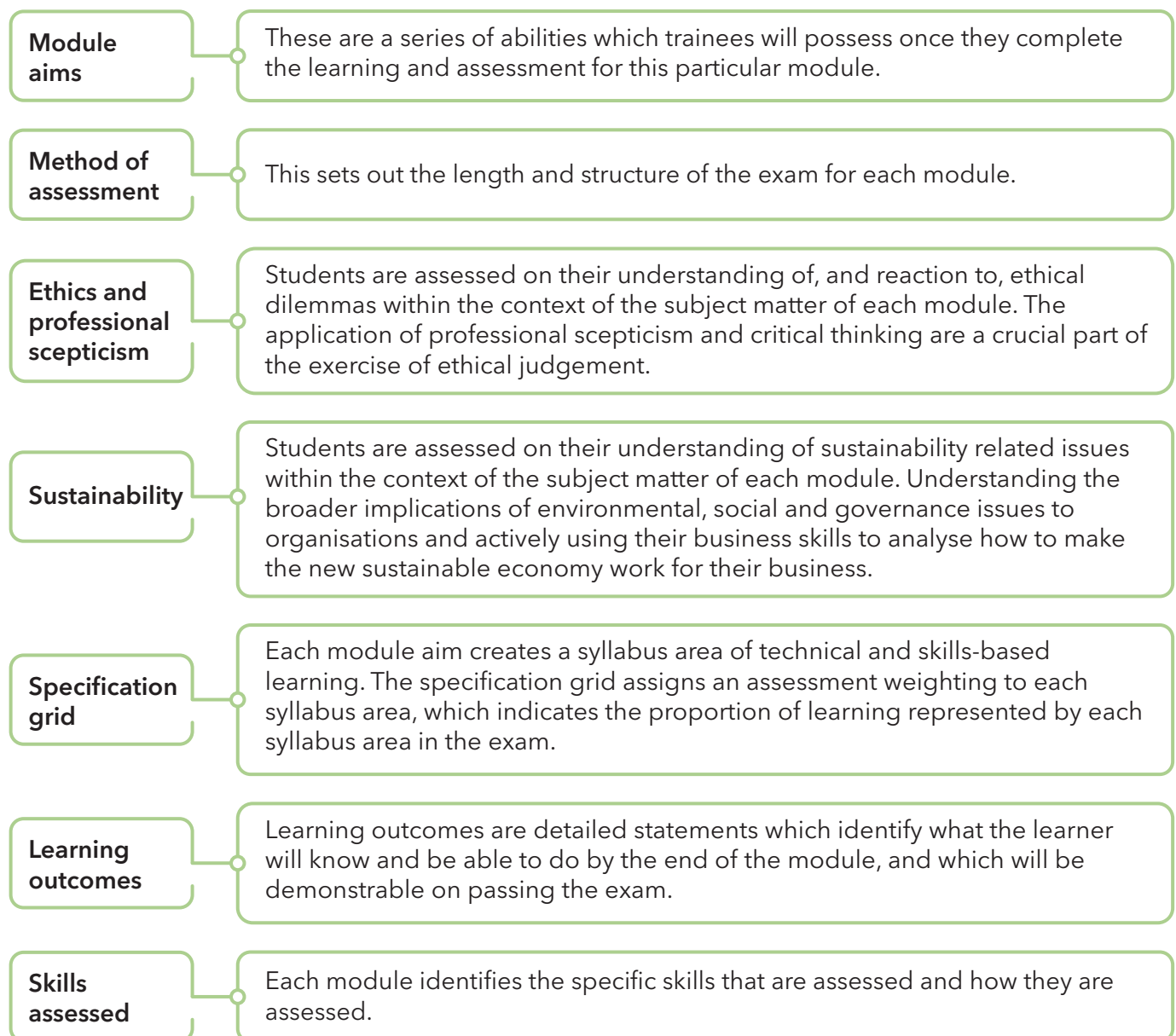
ACA Syllabus

The ACA syllabus is updated annually. The aim of the annual update is to ensure that the syllabus remains fit for purpose and can include amendments to cater for technical changes, clarification of learning outcomes, inclusion of new areas of knowledge impacting ICAEW chartered accountants, and removal of content for subject areas where there is duplication, repetition or content no longer relevant within the qualification. The process includes consultation with all key stakeholder groups and covers the skills, learning outcomes, and technical knowledge grids of each module.

This document presents the learning outcomes for each of the ACA exams. The learning outcomes in each exam should be read in conjunction with the relevant technical knowledge grids and, where applicable, the skills development grid.

UNDERSTANDING THE SYLLABUS FOR EACH MODULE

Each module has the following syllabus components:



Technical knowledge grids

The Technical Knowledge Grids show the technical knowledge in the disciplines of assurance and audit, business analysis, ethics codes and standards, financial reporting, taxation, banking and insurance covered in the ACA syllabus by module. For each technical area, the level of knowledge required is indicated by a letter from A to D, as follows.

- Level D - awareness of the scope of the standard
- Level C - general knowledge with a basic understanding
- Level B - working knowledge with a broad understanding
- Level A - thorough knowledge with a solid understanding

Professional Level

Audit and Assurance

MODULE AIM

To develop students' understanding of the critical aspects of managing an assurance engagement (including audit engagements): acceptance, planning, managing, concluding and reporting.

On completion of this module, students will be able to:

- understand and advise on the regulatory, professional and ethical issues relevant to those carrying out an assurance engagement;
- understand the processes involved in accepting and managing assurance engagements;
- understand how quality assurance processes mitigate risks;
- plan assurance engagements in accordance with the terms of the engagements and appropriate auditing and assurance standards; and
- conclude and report on assurance engagements in accordance with the terms of the engagements and appropriate standards.

The regulations relating to auditing, assurance and financial reporting will have international application and are therefore based upon and international auditing and assurance pronouncements (including standards and guidance for auditors issued by the Financial Reporting Council) and International Financial Reporting Standards (IFRS® Standards).

METHOD OF ASSESSMENT

The Audit and Assurance exam is 2.5 hours long. The exam will consist of four or five short-form questions and three longer questions. The exam will test each of the three syllabus areas in accordance with the weightings set out in the specification grid and students may use the permitted text(s) as detailed on the ICAEW website; [icaew.com/permittedtexts](https://www.icaew.com/permittedtexts).

ETHICS AND PROFESSIONAL SCEPTICISM

Ethical thinking is fundamental to the conduct of a sound audit. A specific weighting given to legal and other professional regulations, ethics, accepting and managing engagements and current issues is shown in the table below. In addition to this a separate learning outcome covers planning and performing engagements and the potential risks involved. Students will also be required to demonstrate the crucial role of professional scepticism in the judgement they apply.

SUSTAINABILITY

The application of sustainability knowledge and understanding gained at Certificate Level, and built on in these modules, is a key progression for the ICAEW chartered accountant at Professional Level. Students will be expected to understand more advanced sustainability-related concepts and their audit and assurance implications, for example, the impact of sustainability-related and climate-related risks and opportunities on audit and assurance. This is an important foundation to the sustainability aspects of audit, assurance and corporate reporting.

SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

SYLLABUS AREA	WEIGHTING
1 Legal and other professional regulations, ethics, accepting and managing engagements and current issues	20-25%
2 Planning and performing engagements	50-60%
3 Concluding and reporting on engagements	20-25%

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

For clarity, learning outcomes applicable to all types of assurance engagements (including audit) are separated from those that are relevant only to audit engagements.

1 LEGAL AND OTHER PROFESSIONAL REGULATIONS, ETHICS, ACCEPTING AND MANAGING ENGAGEMENTS AND CURRENT ISSUES

Students will be able to understand and advise on the regulatory, professional and ethical issues relevant to those accepting, managing and carrying out assurance engagements. Students will be able to understand the processes involved in accepting and managing assurance engagements and how quality assurance processes mitigate the risks to those conducting the engagement.

In the assessment, students may be required to:

ALL ASSURANCE ENGAGEMENTS

- identify and advise upon the legal, professional and ethical issues that may arise before accepting or during a specified assurance engagement;
- discuss the issues which underlie the agreement of the scope and terms of an assurance engagement (new or continuing);
- recognise the professional and ethical issues that may arise during an assurance engagement, explain the relevance and importance of these issues;
- judge when to raise legal and ethical matters arising from assurance work with senior colleagues for review and possible referral to external parties, including reporting suspicions of money laundering;

- formulate the approach suitable for management of the assurance engagement;
- explain the principles and purposes of quality management of assurance engagements;
- demonstrate how quality management processes improve the quality of assurance work;
- describe how quality can be monitored and managed through procedures external to the organisation;
- discuss the purposes and consequences of UK laws and other regulatory requirements surrounding assurance work;
- explain, in non-technical language, significant current issues (including sustainability-related and climate-related risks and opportunities) being dealt with by the accountancy profession, government bodies, the national standard-setting body and the IAASB;
- explain, using appropriate examples, the main ways in which sustainability and climate change affects assurance; and

AUDIT ENGAGEMENTS

- explain the main ways in which national legislation and other regulations affect the scope and nature of the audit and the appointment and removal of auditors (including the relationship between the law and auditing standards).

2 PLANNING AND PERFORMING ENGAGEMENTS

Students will be able to plan and perform assurance engagements in accordance with the terms of the engagements and appropriate standards.

In the assessment, students may be required to:

ALL ASSURANCE ENGAGEMENTS

- a. explain, in context of a given scenario, why it is important to have an understanding of the business when planning an engagement;
- b. identify ways of gaining an understanding of a client's business;
- c. recognise the circumstances under which it may be necessary to bring in expertise (including expertise in technology) from other parties to support assurance processes;
- d. identify the risks arising from, or affecting, a given set of business processes (including risks associated with sustainability and climate change, technology security and GDPR) and circumstances and assess their implications for the engagement;
- e. identify the risks arising from error, fraud and non-compliance with law and other regulations, including sustainability and climate change and GDPR, and assess their implications for the engagement;
- f. assess significant business risks (including risks associated with going concern, sustainability and climate change, technology security and GDPR) identified for their potential impact upon an organisation, in particular their potential impact on performance measurement;
- g. identify the components of risk for a specified assurance engagement;
- h. assess the impact of risk and materiality on the engagement plan of assurance procedures to be performed on historical and prospective information, including the nature, timing and extent of assurance procedures, for a given organisation;
- i. discuss the benefits and limitations of analytical procedures (including data analytics) at the planning stage;
- j. determine an approach appropriate for an engagement for a specified organisation which addresses:
 - possible reliance on controls (including those within IT systems)

- use of technology during an assurance engagement (including data analytics software)
 - the organisation's adoption of technology
 - using the work of internal audit
 - using the work of other experts
 - using the work of another auditor
 - probable extent of tests of controls and of substantive procedures, including analytical procedures and data analytics
 - the nature and extent of client-generated information, including reliability of clients' reports and underlying system-generated data
 - the probable number, timing, staffing and location of assurance visits; and
 - the financial statement implications of sustainability and climate change, including sustainability-related and climate-related risks and opportunities;
- k. analyse and interpret data extracted from an organisation's accounting records and reflected in data analytics software to identify trends and risks of misstatement;

AUDIT ENGAGEMENTS

- l. identify the components of audit risk for a specified audit engagement, including the breakdown of audit risk into inherent risk, control risk and detection risk;
- m. outline the aspects of law and regulation which are relevant to statutory audit;
- n. specify and explain the steps necessary to plan, perform, conclude and report on the audit of the financial statements of a non-specialised profit-oriented entity in accordance with the terms of the engagement including appropriate auditing standards; and
- o. evaluate the impact of risk and materiality in preparing the audit plan, including the nature, timing and extent of audit procedures.

3 CONCLUDING AND REPORTING ON ENGAGEMENTS

Students will be able to conclude and report on assurance engagements in accordance with the terms of the engagements and appropriate standards.

In the assessment, students may be required to:

ALL ASSURANCE ENGAGEMENTS

- a. describe the nature and timing of specific procedures designed to identify subsequent events that may require adjustment or disclosure in relation to the matters being reported on;
- b. describe the nature and timing of specific procedures designed to identify the appropriateness of the going concern assumption, including compliance with relevant legal and regulatory requirements;
- c. evaluate quantitatively and qualitatively, the results and conclusions obtained from assurance procedures including analytical procedures and data analytics where appropriate;
- d. draw conclusions on the ability to report on an assurance engagement which are consistent with the results of the assurance work;
- e. draft suitable extracts for an assurance report (including any report to those charged with governance issued as part of the engagement) in relation to a specified organisation on the basis of given information, including in the extracts (where appropriate) statements of facts, their potential effects, and recommendations for action relevant to the needs and nature of the organisation being reported upon;
- f. advise on reports to be issued to those charged with governance in accordance with standards, legislation, regulation and codes of corporate governance;
- g. judge when to refer reporting matters for specialist help;

AUDIT ENGAGEMENTS

- h. draw conclusions on the ability to report on an audit engagement, including the opinion for a statutory audit, which are consistent with the results of the audit work;
- i. explain the elements (both explicit and implicit) of the auditor's report issued in accordance with the International Standards on Auditing and statutory requirements and recommend the nature of an audit opinion to be given in such a report; and
- j. draft suitable extracts for an auditor's report (and any report to those charged with governance issued as part of the engagement) in relation to a specified organisation on the basis of given

information, including in the extracts (where appropriate) statements of facts, their potential effects, and recommendations for action relevant to the needs and nature of the organisation being reported upon.

SKILLS ASSESSED

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">• Identify the needs of customers and clients.• Explain different stakeholder perspectives and interests• Identify risks within a scenario.• Identify elements of uncertainty within a scenario.• Identify ethical issues including public interest and sustainability issues within a scenario.	<ul style="list-style-type: none">• Interpret information provided in various formats.• Evaluate the relevance of information provided.• Filter information provided to identify critical facts.• Identify and interpret information in data analytics software.	<ul style="list-style-type: none">• Identify business and financial issues from a scenario.• Work effectively within time constraints.• Operate to a brief in a given scenario.

HOW SKILLS ARE ASSESSED:

Students may be required to demonstrate:

- the regulatory, professional and ethical issues relevant to accepting, carrying out and managing assurance engagements;
- how quality assurance processes mitigate risks;
- an ability to identify relevant information in data analytics software in order to suggest actions that need to be taken; and
- an ability to respond to instructions from a line manager, a partner or a client request, making judgements where required and taking ethical considerations into account.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">• Identify any information gaps.• Frame questions to clarify information.• Use a range of data types and sources to inform analysis and decision making.• Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes.• Present analysis in accordance with instructions and criteria.	<ul style="list-style-type: none">• Identify and apply relevant technical knowledge and skills to analyse a specific problem.• Use structured information to identify evidence-based solutions.• Identify creative and pragmatic solutions in a business environment.• Identify opportunities to add value• Identify ethical dimensions of possible solutions.• Select appropriate courses of action using an ethical framework.

HOW SKILLS ARE ASSESSED:

Requirements will include planning assurance engagements in accordance with the terms of engagement and appropriate standards, taking account of:

- managing audit and other assurance engagements;
- reliance on controls;
- reliance on the work of internal audit or other experts;
- reliance on the work of another auditor;
- extent of tests of control and of substantive procedures, including analytical procedures;
- use of analytical procedures including data analytic routines to identify the risk of misstatement; and
- number, timing, staffing and location of assurance visits.

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none">• Recognise bias and varying quality in data and evidence.• Identify assumptions or faults in arguments.• Identify gaps in evidence.• Identify inconsistencies and contradictory information.• Assess interaction of information from different sources.• Exercise ethical judgement.	<ul style="list-style-type: none">• Appreciate when more expert help is required.• Identify related issues in scenarios.• Assess different stakeholder perspectives when evaluating options.• Retain an overview of the business issue or scenario.• Appraise the effects of alternative future scenarios.• Appraise ethical, public interest and regulatory issues.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- identify business risks and audit risks, including significant risks, from a given scenario, explain their impact on the financial statements, and recommend audit procedures to mitigate the risk of a material error. Requirements will test the ability of students to filter those issues which are more relevant than others in a given scenario;
- distinguish the quality of data or evidence to be tested in two potential ways. (i) Students will need to distinguish between data generated from within an organisation and that generated by a third party, the latter being less susceptible to management bias; and (ii) students will need to appreciate the effect on the quality of evidence that bias caused by specific factors can have eg, where profits are used to determine a bonus payment to be made to the company's management;
- identify the impact of specific factors on a set of financial statements eg, economic, political, sustainability-related and climate-related factors;
- evaluate the effect of uncertain future events when describing the procedures to be performed in carrying out an examination of a company's financial forecasts;
- assess the materiality of a particular matter (eg, an unadjusted error) in the context of a set of financial statements or other financial information. This assessment should then inform the students judgement as to whether or not to modify the opinion given in a statutory auditor's report or modify the conclusion in a non-audit assurance report;

- judge the potential independence risks involved in accepting or continuing an audit or other assurance engagement, and the procedures to mitigate those risks; and consideration of the required steps upon the discovery of fraud/money laundering; and
- display the ability to present a structured argument to a client eg, in situations where management is questioning the extent of audit work performed.

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Recommendations:	Communication:
<ul style="list-style-type: none"> • Apply technical knowledge to support reasoning and conclusions. • Apply professional experience and evidence to support reasoning. • Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations. 	<ul style="list-style-type: none"> • Present recommendations in accordance with instructions and defined criteria. • Make recommendations in situations where risks and uncertainty exist. • Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence. • Make evidence-based recommendations which can be justified by reference to supporting data and other information. • Develop recommendations which combine different technical skills in a practical situation. 	<ul style="list-style-type: none"> • Present a basic or routine memorandum or briefing note in writing in a clear and concise style. • Present analysis and recommendations in accordance with instructions. • Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient. • Prepare the advice, report, or notes required in a clear and concise style.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- advise on the regulatory, professional and ethical issues in carrying out an assurance engagement;
 - conclude and report on assurance engagements, including determining whether to modify a report with or without a modified opinion/conclusion; and
 - identify deficiencies in financial information systems, their potential consequences and recommendations for improvement.
-

Business Strategy and Technology

MODULE AIM

To provide students with an understanding of how an organisation develops, implements and monitors strategy, including any ethical implications.

On completion of this module, students will be able to:

- explain, analyse and evaluate the consequences of an organisation's current strategic direction including objectives, market position and technology developments;
- use data to evaluate the likely consequences of strategic choices and technology developments, and recommend strategies to meet the objectives of an organisation; and
- recommend appropriate methods for an organisation to implement and monitor strategies including strategies for technology and innovation, and demonstrate how data can be used subsequently to measure and monitor strategic performance.

METHOD OF ASSESSMENT

The Business Strategy and Technology exam is 2.5 hours long. The exam will consist of three scenario-based questions, covering a range of different industries and types of organisation. Each question will cover one or more syllabus areas.

SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

SYLLABUS AREA	WEIGHTING
1 Strategic analysis	30-40%
2 Strategic choice	30-40%
3 Implementation and monitoring of strategy	25-35%

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

ETHICS AND PROFESSIONAL SCEPTICISM

Ethics must underpin sound strategic and technological development for a business. Sustainability and the interests of all stakeholder groups are key considerations. Related learning outcomes are interwoven through the syllabus areas of Strategic analysis, Strategic choice and Implementation and monitoring of strategy. Students are expected to develop their skills to ensure business trust and professional scepticism are paramount.

SUSTAINABILITY

The application of sustainability knowledge and understanding gained at Certificate Level is a key progression for the ICAEW chartered accountant at Professional Level. Students will be expected to understand more advanced sustainability-related concepts and their business implications; for example, the different stakeholder perspectives on sustainability and climate change, and how they relate to sustainability versus the concept of Environmental, Social and Governance (ESG). This is an important foundation to considering relevant aspects of sustainability when analysing, choosing and implementing business strategy and risk management.

1 STRATEGIC ANALYSIS

Students will be able to explain, analyse and evaluate the consequences of an organisation's current strategic direction including objectives, market position and technology developments.

In the assessment, students may be required to:

- a. evaluate an organisation's purpose, in terms of its stated mission, objectives and critical success factors, highlighting omissions, inconsistencies and weaknesses, and considering the different objectives of stakeholders;
- b. analyse the sustainability issues and the environmental, social and governance (ESG) factors which influence the organisation's current strategy, highlighting their likely impact on the success of the organisation;
- c. analyse the external factors which may impact upon an organisation's performance and position, evaluating significant issues in areas such as:
 - natural capital and climate change
 - macroeconomic forces
 - international trade, financial systems and global economic factors
 - government policies
 - its industry and markets, including competition
 - cultural environment
 - stakeholder, ecosystem and participant impact
 - markets for finance, labour and other resources
 - supply chain factors
 - technology developments;
- d. explain and evaluate the significance and impact of the internal factors which affect or may influence an organisation's ability to achieve its chosen strategy, including its:
 - current resources
 - product/service portfolio
 - value chain and networks
 - organisational, operational and technological capabilities (including core competencies, existing business processes, human capital and workforce flexibility)
- e. analyse an organisation's current markets and competitive strategy in sufficient detail for decisions to be made, drawing

conclusions consistent with the qualitative and quantitative data available and highlighting relevant issues in terms of their likely impact on the strategy of the organisation;

- f. explain and evaluate the risks attached to an organisation's present position, using all relevant qualitative and quantitative data, and considering attitudes to risk, security and cyber security;
- g. explain and evaluate the ethical and business trust factors to be considered in determining the scope and nature of an organisation's objectives and its strategic analysis, giving appropriate consideration to the legitimate interests of all stakeholder groups and the public interest;
- h. explain and analyse an organisation's current position and performance using financial and non-financial data from internal and external sources, presented in different formats including visualisations;
- i. explain and evaluate different types of data distributions and data trends using appropriate statistical tools, data analysis and spreadsheets, including consideration of cause and effect and the implications for business risk;
- j. evaluate and interpret data provided, including identifying and explaining the causes and effects of different types of data bias, and applying an appropriate degree of professional scepticism; and
- k. assimilate, structure and analyse transactions and other granular data provided, using spreadsheets.

2 STRATEGIC CHOICE

Students will be able to use data to evaluate the likely consequences of strategic choices and technology developments, and recommend strategies to meet the objectives of an organisation.

In the assessment, students may be required to:

- a. explain and demonstrate how to capture and analyse qualitative and quantitative data, presented in different formats, to provide relevant information for decision making at an appropriate level within an organisation;
- b. explain and evaluate the risks attached to proposed courses of action in a given situation, considering all relevant factors,

- and assumptions made and select and justify strategies for managing risk;
- c. explain and demonstrate how an organisation compares and selects from competing strategies in order to maximise the achievement of its key objectives;
 - d. evaluate the sustainability and ESG implications of a strategy or combination of strategies;
 - e. evaluate the ethical implications of an organisation's strategies and operations for the organisation and for individuals, including the accountant in business and others;
 - f. select and justify a strategy or combination of strategies which will best achieve the organisation's objectives, taking account of known constraints and capabilities, including stakeholder risk preferences and the potential for developing technologies to increase or mitigate risks;
 - g. explain and demonstrate how products and services can evolve in the face of developing technologies, consumer demand and industry competition;
 - h. explain and demonstrate how to position particular products and services in the market place to maximise competitive advantage and develop a marketing strategy by selecting, capturing and analysing relevant data;
 - i. explain and demonstrate how management information can be used to evaluate an organisation's proposed strategies, including forecasting financial performance and the risk associated with forecasts;
 - j. evaluate the value of information and limitations of data, having regard to data variability, data bias and risk, and considering the ethical implications of the selection, capture, analysis and use of data; and
 - k. organise, structure and assimilate historic and estimated data in appropriate ways, using available statistical tools, data analysis and spreadsheets, to support business decisions.

3 IMPLEMENTATION AND MONITORING OF STRATEGY

Students will be able to recommend appropriate methods for an organisation to implement and monitor strategies including strategies for

technology and innovation, and demonstrate how data can be used subsequently to measure and monitor strategic performance.

In the assessment, students may be required to:

- a. evaluate how an organisation's overall strategy can be achieved by implementing appropriate functional strategies, including the role of the finance function as business partner;
- b. evaluate how strategies for technology and innovation, workforce flexibility, remote and hybrid working, and shared service centres, can support the organisation's achievement of its overall strategy;
- c. evaluate and recommend an organisational structure appropriate to the strategy, taking into account a range of strategic, operational and functional factors;
- d. explain and analyse the governance structure of an organisation and justify the steps needed to develop its corporate governance to meet the needs of its stakeholders, its strategic objectives and its compliance requirements;
- e. select and evaluate methods of further developing an organisation which adjust existing strategies or implement new strategies to take account of changing position and risk;
- f. explain and evaluate the form and content of an organisation's business plan;
- g. prepare a business plan, or extracts, which will achieve given or implied objectives;
- h. explain and demonstrate how qualitative and quantitative data, including forecasts, budgets and other management information presented in a range of formats, can be analysed to monitor the performance of an organisation's projects, divisions and other strategic units;
- i. explain and analyse how an organisation can implement and monitor sustainability and ESG policies;
- j. explain and demonstrate how data can be selected, structured, assimilated and analysed using spreadsheets to provide management with information to monitor or modify strategic or operating decisions, having regard to data variability, data bias and risk, and applying an appropriate degree of professional scepticism;

- k. explain and evaluate how an organisation can select, capture, analyse and use data, including big data, to provide management with information that enables it to implement, monitor and modify a strategy and to create or sustain competitive advantage;
- l. explain and justify the key issues which should be addressed by the management of an organisation during the planning and implementation of change; and
- m. explain and evaluate the ethical, sustainability, ESG and public interest implications of how an organisation chooses to implement and modify its strategies, suggesting appropriate courses of action to resolve ethical dilemmas that may arise.

SKILLS ASSESSED

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">• Demonstrate understanding of the business context.• Recognise new and complex ideas within a scenario.• Identify and explain the needs of customers and clients.• Explain different stakeholder perspectives and interests.• Identify and evaluate risks within a scenario.• Identify and evaluate elements of uncertainty within a scenario.• Identify and explain ethical issues including public interest and sustainability issues within a scenario.	<ul style="list-style-type: none">• Interpret information provided in various formats.• Evaluate the relevance of information provided.• Filter information provided to identify critical facts.	<ul style="list-style-type: none">• Identify and explain business and financial issues from a scenario.• Prioritise key issues.• Work effectively within time constraints.• Operate to a brief in a given scenario.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- understand key information from the scenario provided;
- understand the context of the scenario in terms of type of business, industry and wider context;
- recognise key ethical issues for an accountant undertaking work in accounting and reporting; and
- recognise specific issues that may arise in the context of the situation described.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">• Use spreadsheets to assimilate, structure and analyse data.• Structure information from various sources into suitable formats for analysis.• Identify any information gaps and appraise their significance.• Frame questions to clarify information.• Use a range of data types and sources to inform analysis and decision making.• Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes.• Present analysis in accordance with instructions and criteria.	<ul style="list-style-type: none">• Identify and apply relevant technical knowledge and skills to analyse a specific problem.• Use structured information to identify evidence-based solutions.• Identify and evaluate creative and pragmatic solutions in a business environment.• Identify and explain opportunities to add value.• Identify and evaluate problems that may result from a decision.• Identify and evaluate a range of possible solutions based on analysis.• Identify and explain ethical dimensions of possible solutions.• Select appropriate courses of action using an ethical framework.• Identify and evaluate the solution which is the best fit with acceptance criteria and objectives.• Define objectives and acceptance criteria for solutions.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- identify and use information, including data visualisations, to define key business issues;
 - demonstrate understanding of the business, its strategy, industry and wider context;
 - demonstrate the impact of ethics on the objectives and methods of an organisation;
 - identify and explain the ethical and sustainability implications of strategic proposals;
 - demonstrate relevant technical knowledge;
 - perform appropriate analysis of numerical data using spreadsheets and demonstrate an understanding of what is relevant; and
 - use data analysis to develop and illustrate an answer.
-

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none">• Recognise and evaluate bias and varying quality in data and evidence.• Identify and appraise assumptions or faults in arguments.• Identify and evaluate gaps in evidence.• Identify and appraise inconsistencies and contradictory information.• Assess interaction of information from different sources.• Exercise ethical judgement.	<ul style="list-style-type: none">• Appreciate when more expert help is required.• Identify and explain related issues in scenarios.• Assess different stakeholder perspectives when evaluating options.• Retain an overview of the business issue or scenario.• Appraise corporate responsibility and sustainability issues.• Appraise the effects of alternative future scenarios.• Appraise ethical, public interest and regulatory issues.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- evaluate the impact of a business proposal on an entity;
 - assess the reliability, accuracy and limitations of any analysis performed;
 - be able to produce arguments integrating numerical and descriptive analysis;
 - prioritise the issues facing an entity;
 - identify and appraise links and relationships between different issues affecting an entity and use these to establish priorities;
 - evaluate options for an organisation, taking into account its stakeholders, objectives, priorities, available resources and ethical obligations; and
 - provide reasons for the rejection of alternatives.
-

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Recommendations:	Communication:
<ul style="list-style-type: none">• Apply technical knowledge to support reasoning and conclusions.• Apply professional experience and evidence to support reasoning.• Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.	<ul style="list-style-type: none">• Present recommendations in accordance with instructions and defined criteria.• Make recommendations in situations where risks and uncertainty exist.• Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence.• Make evidence-based recommendations which can be justified by reference to supporting data and other information.• Develop recommendations which combine different technical skills in a practical situation.	<ul style="list-style-type: none">• Present a basic or routine memorandum or briefing note in writing in a clear and concise style.• Present analysis and recommendations in accordance with instructions.• Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient.• Prepare the advice, report, or notes required in a clear and concise style.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- draw realistic conclusions from an analysis of data and the information provided;
 - prepare a report or memorandum structured according to the requirements of the scenario, with appropriate context;
 - provide reasoned advice based on an understanding of the business and the relevant scenario, including an assessment of possible alternatives;
 - recommend suitable courses of action in a given situation; and
 - identify and evaluate risks and outline reservations about the advice.
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Financial Accounting and Reporting

There are two financial reporting modules which students can choose between, being either IFRS or UK GAAP. This means that students can study the financial reporting framework most beneficial to their employer and clients.

Financial Accounting and Reporting: IFRS

MODULE AIM

To enable students to prepare complete single entity and consolidated financial statements, and extracts from those financial statements, covering a wide range of International Financial Reporting Standards (IFRS[®] Accounting Standards and IFRS[®] Sustainability Disclosure Standards).

Students will also be required to explain accounting and reporting concepts and ethical issues, and the application of International Financial Reporting Standards to specified single entity or group scenarios.

On completion of this module, students will be able to:

- explain the contribution and inherent limitations of financial statements, apply the IFRS Conceptual Framework for Financial Reporting and identify and explain key ethical issues;
- prepare and present financial statements from accounting data for single entities in conformity with IFRS[®] Accounting Standards and IFRS[®] Sustainability Disclosure Standards and explain the application of IFRS[®] Accounting Standards and IFRS[®] Sustainability Disclosure Standards to specified single entity scenarios;
- analyse and interpret financial and non-financial information which has been prepared in conformity with International Financial Reporting Standards;
- identify the circumstances in which entities are required to present consolidated financial statements, prepare and present them in conformity with IFRS[®] Accounting Standards and explain the application of

IFRS[®] Accounting Standards to specified group scenarios; and

- describe the principal differences between IFRS[®] Accounting Standards and UK GAAP and prepare simple extracts from financial statements in accordance with UK GAAP, for both single entity and consolidated financial statements.

Learning outcomes apply to non-specialised profit-oriented entities unless otherwise specified.

METHOD OF ASSESSMENT

The Financial Accounting and Reporting: IFRS exam is 3 hours long. The exam contains four written test questions. Students may use the permitted text(s) as detailed on the ICAEW website, [icaew.com/permittedtexts](https://www.icaew.com/permittedtexts).

The module will include:

- a. preparation of single entity financial statements (excluding statement of cash flows) from trial balance, using proformas;
- b. preparation of consolidated financial statements (excluding consolidated statement of cash flows) from single entity financial statements using proformas; and
- c. explanation of the application of IFRS[®] Accounting Standards and IFRS[®] Sustainability Disclosure Standards to specified scenarios, with supporting calculations; and
- d. analysis and interpretation of financial and non-financial information.

Other question types could include:

- a. preparation of a full consolidated statement of cash flows; or

- b. a mixed or single topic question requiring extracts from single entity or consolidated financial statements (including from statement of cash flows) or preparation of a revised single entity statement of cash flows, and/or explanation of financial reporting treatment with supporting calculations and/or calculations of specified figures.

Concepts, ethics, sustainability and UK GAAP will be tested in any of the questions.

ETHICS AND PROFESSIONAL SCEPTICISM

Ethical thinking must be the mainstay for honest, true, fair and prudent financial accounting and reporting. The ability to identify and explain ethical issues is examined specifically under the syllabus area 'Accounting and reporting concepts and ethics'. Over and above this ethical thinking and professional scepticism will be required to be applied in the exercise of all judgements.

SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

SYLLABUS AREA	WEIGHTING
1 Accounting and reporting concepts and ethics	10%-15%
2 Single entity financial statements	60%-70%
3 Consolidated financial statements	20%-25%

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

1 ACCOUNTING AND REPORTING CONCEPTS AND ETHICS

Students will be able to explain the contribution and inherent limitations of financial statements, apply the International Accounting Standards Board's conceptual framework for financial reporting and identify and explain key ethical issues.

In the assessment, students may be required to:

- explain the standard-setting process used by UK and international bodies and the authority of UK and international standards;
- explain the objectives and inherent limitations of financial statements, giving appropriate examples;
- explain the qualitative characteristics of financial information and the constraints on such information, using appropriate examples to illustrate the explanation;
- identify the effects of transactions in accordance with the IFRS Conceptual Framework for Financial Reporting;
- discuss the concepts of 'fair presentation' and 'true and fair view' and the circumstances in which these concepts

SUSTAINABILITY

The application of sustainability knowledge and understanding is a key skill for all ICAEW chartered accountants. Students will be expected to understand an entity's sustainability related risks and opportunities that could reasonably be expected to affect an entity's prospects. Students should be able to identify the information that is useful to users of general purpose financial statements in making decisions relating to providing resources to the entity. Developing an understanding of sustainability principles and their integration within accounting and reporting frameworks.

- may override the detailed provisions of legislation or of accounting standards;
- f. discuss the impact of sustainability and climate-related risks and opportunities on the preparation of the financial statements;
- g. explain the differences between financial statements produced using the accrual basis and those produced using the bases of cash accounting and break-up, performing simple calculations to illustrate the differences;
- h. explain, in non-technical language, the different bases of measurement of the elements of the financial statements, illustrating the explanation with simple calculations and examples;
- i. explain and demonstrate the concepts and principles surrounding the consolidation of financial statements; and
- j. identify and explain the ethical and professional issues for a professional accountant undertaking work in financial accounting and reporting and identify appropriate action.

2 SINGLE ENTITY FINANCIAL STATEMENTS

Students will be able to prepare and present financial statements from accounting data for single entities in conformity with IFRS[®] Accounting Standards and IFRS[®] Sustainability Disclosure requirements, relevant laws and regulations and explain the application of IFRS[®] Accounting Standards to specified single entity scenarios.

In the assessment, students may be required to:

- a. calculate from financial and other data the amounts to be included in an entity's financial statements according to the international financial reporting framework;
- b. prepare and present the financial statements, including specified disclosures, or extracts, of an entity in accordance with its accounting policies and appropriate international financial reporting standards;
- c. explain the application of IFRS[®] Accounting Standards and IFRS[®] Sustainability Standards to specified single entity scenarios;
- d. analyse and interpret financial and non-financial information to identify significant features, inconsistencies, limitations and draw conclusions;
- e. describe the principal differences between IFRS[®] Accounting Standards and UK GAAP

(FRS 102 and Companies Act 2006) and prepare simple extracts from single entity financial statements in accordance with UK GAAP; and

- f. define and calculate from information provided the distributable profits of an entity.

3 CONSOLIDATED FINANCIAL STATEMENTS

Students will be able to identify the circumstances in which entities are required to present consolidated financial statements, prepare and present them from single entity financial statements in conformity with IFRS[®] Accounting Standards requirements, relevant laws and regulations and explain the application of IFRS[®] Accounting Standards to specified group scenarios.

In the assessment, students may be required to:

- a. identify and describe the circumstances in which an entity is required to prepare and present consolidated financial statements;
- b. identify from financial and other data any subsidiary, associate or joint venture of an entity according to the international financial reporting framework;
- c. calculate from financial and other data the amounts to be included in an entity's consolidated financial statements in respect of its new, continuing and discontinued interests in subsidiaries, associates and joint ventures (excluding partial disposals of subsidiaries and disposals of associates or joint ventures) according to the international financial reporting framework;
- d. prepare and present the consolidated financial statements, or extracts, of an entity in accordance with its accounting policies and appropriate international financial reporting standards;
- e. explain the application of IFRS[®] Accounting Standards to specified group scenarios; and
- f. describe the principal differences between IFRS[®] Accounting Standards and UK GAAP (FRS 102) and prepare simple extracts from consolidated financial statements in accordance with UK GAAP (FRS 102).

SKILLS ASSESSED

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">• Demonstrate understanding of the business context.• Recognise new and complex ideas within a scenario.• Explain different stakeholder perspectives and interests.• Explain ethical issues with given scenarios.	<ul style="list-style-type: none">• Interpret information provided in various formats.• Evaluate the relevance of information provided.• Filter information provided to identify critical facts.	<ul style="list-style-type: none">• Identify business and financial issues from a scenario.• Prioritise key issues.• Work effectively within time constraints.• Operate to a brief in a given scenario.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- explain the inherent limitations of financial statements;
- apply the IFRS Conceptual Framework for Financial Reporting to a given scenario;
- consider the impact of sustainability and climate-related risks and opportunities on the preparation of the financial statements;
- recognise key ethical issues for an accountant undertaking work in accounting and reporting;
- identify international financial reporting standards, relevant laws and regulation and any other requirements applicable to the financial statements (both single entity and consolidated); and
- recognise specific issues that may arise in the context of the situation described.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">• Structure information from various sources into suitable formats for analysis.	<ul style="list-style-type: none">• Identify and apply relevant technical knowledge and skills to analyse a specific problem.• Use structured information to identify evidence-based solutions.• Select appropriate courses of action using an ethical framework.• Identify the solution which is the best fit with acceptance criteria and objectives.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- apply the IFRS Conceptual Framework for Financial Reporting to identify the financial effects of transactions;
- apply knowledge of International Financial Reporting Standards through explanation and calculation;
- prepare and present financial statements (including disclosure), or extracts (both single entity and consolidated) using proformas, in conformity with International Financial Reporting Standards;
- analyse and interpret information to provide useful insights into performance, and identify inconsistencies and limitations of information;

- explain the principal differences between IFRS® Accounting Standards and UK GAAP; and
- identify ethical issues and use ethical codes to formulate solutions and provide advice.

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none"> • Recognise bias and varying quality in data and evidence. • Identify inconsistencies of information presented. • Identify faults in arguments. • Exercise ethical judgement. 	<ul style="list-style-type: none"> • Identify related issues in scenarios. • Identify limitations of information presented. • Appraise ethical, public interest and regulatory issues.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- use judgement to assess the appropriate accounting treatment (including disclosure) for transactions described in the scenarios in respect of both single entity and consolidated financial statements; and
- identify ethical issues and use ethical codes to formulate solutions and provide advice.

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Communication:
<ul style="list-style-type: none"> • Apply technical knowledge to support reasoning and conclusions. • Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations. 	<ul style="list-style-type: none"> • Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient. • Prepare the advice, explanation, or notes required in a clear and concise style.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- explain accounting and reporting concepts in non-technical language;
- explain, with supporting calculations and disclosure, the appropriate accounting treatment for transactions described in the scenario (both single entity and consolidated financial statements);
- prepare and present financial statements (including disclosure), or extracts (both single entity and consolidated financial statements) in conformity with international financial reporting standards;
- identify significant features in information through analysis and interpretation;
- explain the principal differences between IFRS® Accounting Standards and UK GAAP; and
- explain ethical issues and provide possible solutions.

Financial Accounting and Reporting: UK GAAP

MODULE AIM

To enable students to prepare complete single entity and consolidated financial statements, and extracts from those financial statements, in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006. In addition, students will have a working knowledge of FRS 105 The Financial Reporting Standard applicable to the Micro-Entities Regime.

Students will also be required to explain accounting and reporting concepts and ethical issues, and the application of UK GAAP to specified single entity or group scenarios.

On completion of this module, students will be able to:

- explain the contribution and inherent limitations of financial statements, apply FRS 102 Section 2 Concepts and Pervasive Principles and identify and explain key ethical issues;
- prepare and present financial statements from accounting data for single entities, whether organised in corporate or in other forms, in conformity with FRS 102, and/or FRS 105 and Companies Act 2006 and explain the application of FRS 102, and/or FRS 105, to specified single entity scenarios;
- analyse and interpret financial and non-financial information which has been prepared in conformity with FRS 102;
- identify the circumstances in which entities are required to present consolidated financial statements, prepare and present them in conformity with FRS 102 and Companies Act 2006 and explain the application of FRS 102 to specified group scenarios; and
- describe the principal differences between UK GAAP and IFRS® Accounting Standards and prepare simple extracts from financial statements in accordance with IFRS® Accounting Standards, for both single entity and consolidated financial statements.

Learning outcomes apply to non-specialised profit-oriented entities unless otherwise specified.

METHOD OF ASSESSMENT

The Financial Accounting and Reporting: UK GAAP exam is 3 hours long. The exam contains four written test questions. Students may use the permitted text(s) as detailed on the ICAEW website; [icaew.com/permittedtexts](https://www.icaew.com/permittedtexts).

The module will include:

- a. preparation of single entity financial statements (excluding statement of cash flows) from trial balance using proformas;
- b. preparation of consolidated financial statements (excluding consolidated statement of cash flows) from single entity financial statements, using proformas;
- c. explanation of the application of UK GAAP to specified scenarios, with supporting calculations; and
- d. analysis and interpretation of financial and non-financial information.

Other question types could include:

- a. preparation of a full consolidated statement of cash flow; or
- b. a mixed or single topic question requiring extracts from single entity or consolidated financial statements (including from statement of cash flows or preparation of a revised single entity statement of cash flows), and/or explanation of financial reporting treatment with supporting calculations and/or calculation of specified figures.

Concepts, ethics, sustainability and IFRS® Accounting Standards will be tested in any of the questions.

ETHICS AND PROFESSIONAL SCEPTICISM

Ethical thinking must be the mainstay for honest, true, fair and prudent financial accounting and reporting. The ability to identify and explain ethical issues is examined specifically under the syllabus area 'Accounting and reporting concepts and ethics'. Over and above this ethical thinking and professional scepticism will be required to be applied in the exercise of all judgements.

SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

SYLLABUS AREA	WEIGHTING
1 Accounting and reporting concepts and ethics	10-15%
2 Single entity financial statements	60-70%
3 Consolidated financial statements	20-25%

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

1 ACCOUNTING AND REPORTING CONCEPTS AND ETHICS

Students will be able to explain the contribution and inherent limitations of financial statements, apply FRS 102 Section 2 Concepts and Pervasive Principles and identify and explain key ethical issues.

In the assessment, students may be required to:

- explain the standard-setting process used by UK and the authority of UK standards;
- explain the objectives and inherent limitations of financial statements, giving appropriate examples;
- explain the qualitative characteristics of financial information and the constraints on such information, using appropriate examples to illustrate the explanation;
- identify the effects of transactions in accordance with FRS 102 Section 2 Concepts and Pervasive Principles;

SUSTAINABILITY

The application of sustainability knowledge and understanding is a key skill for all ICAEW chartered accountants. Students will be expected to understand an entity's sustainability related risks and opportunities that could reasonably be expected to affect an entity's prospects. Students should be able to identify the information that is useful to users of general purpose financial statements in making decisions relating to providing resources to the entity. Developing an understanding of sustainability principles and their integration within accounting and reporting frameworks.

- discuss the concept of 'true and fair view' and the circumstances in which this concept may override the detailed provisions of legislation or of accounting standards;
- discuss the impact of sustainability and climate-related risks and opportunities on the preparation of the financial statements;
- explain the differences between financial statements produced using the accrual basis and those produced using the bases of cash accounting and break-up, performing simple calculations to illustrate the differences;
- explain, in non-technical language, the different bases of measurement of assets, liabilities, income and expenses;
- explain and demonstrate the concepts and principles surrounding the consolidation of financial statements; and
- identify and explain the ethical and professional issues for a professional accountant undertaking work in financial

accounting and reporting and identify appropriate action.

2 SINGLE ENTITY FINANCIAL STATEMENT

Students will be able to prepare and present financial statements from accounting data for single entities, whether organised in corporate or in other forms, in conformity with FRS 102 and Companies Act 2006 requirements and any other relevant laws and regulations. In addition, students will be able to prepare and present extracts from financial statements from accounting data for single entities in conformity with FRS 105 and Companies Act 2006. Students will also be able to explain the application of FRS 102 and FRS 105 to specified single entity scenarios.

In the assessment, students may be required to:

- a. calculate from financial and other data the amounts to be included in an entity's financial statements according to FRS 102 Section 2 Concepts and Pervasive Principles;
- b. prepare and present the financial statements, including specified disclosures, or extracts of an entity in accordance with its accounting policies, FRS 102, and/or FRS 105 and Companies Act 2006;
- c. explain the application of FRS 102, and/or FRS 105, and/or make comparisons, to specified single entity scenarios;
- d. analyse and interpret financial and non-financial information to identify significant features, inconsistencies, limitations and draw conclusions;
- e. describe the principal differences between UK GAAP (FRS 102 and Companies Act 2006) and IFRS[®] Accounting Standards and prepare simple extracts from single entity financial statements in accordance with IFRS[®] Accounting Standards; and
- f. define and calculate from information provided the distributable profits of an entity.

3 CONSOLIDATED FINANCIAL STATEMENTS

Students will be able to identify the circumstances in which entities are required to present consolidated financial statements, prepare and present them from single entity financial statements in conformity with FRS 102 and Companies Act 2006 and any other relevant laws and regulations. In addition, students will

be able to explain the application of FRS 102 to specified group scenarios.

In the assessment, students may be required to:

- a. identify and describe the circumstances in which an entity is required to prepare and present consolidated financial statements;
- b. identify from financial and other data any subsidiary, associate or joint venture of an entity according to FRS 102;
- c. calculate from financial and other data the amounts to be included in an entity's consolidated financial statements in respect of its new, continuing and discontinued interests in subsidiaries, associates and joint ventures (excluding partial disposals of subsidiaries and disposals of associates or joint ventures) according to FRS 102;
- d. prepare and present the consolidated financial statements, or extracts, of an entity in accordance with its accounting policies, FRS 102 and Companies Act 2006;
- e. explain the application of FRS 102 to specified group scenarios; and
- f. describe the principal differences between UK GAAP (FRS 102) and IFRS[®] Accounting Standards and prepare simple extracts from consolidated financial statements in accordance with IFRS[®] Accounting Standards.

SKILLS ASSESSED

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">• Demonstrate understanding of the business context.• Recognise new and complex ideas within a scenario.• Explain different stakeholder perspectives and interests.• Explain ethical issues within given scenarios.	<ul style="list-style-type: none">• Interpret information provided in various formats.• Evaluate the relevance of information provided.• Filter information provided to identify critical facts.	<ul style="list-style-type: none">• Identify business and financial issues from a scenario.• Work effectively within time constraints.• Operate to a brief in a given scenario.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- explain the inherent limitations of financial statements;
- apply elements of the concepts and pervasive principles of FRS 102;
- consider the impact of sustainability and climate-related risks and opportunities on the preparation of the financial statements
- recognise key ethical issues for an accountant undertaking work in accounting and reporting;
- identify the relevant UK GAAP standards, relevant laws and regulations and any other requirements applicable to the financial statements (both single entity and consolidated); and
- recognise specific issues that may arise in the context of the situation described.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">• Structure information from various sources into suitable formats for analysis.	<ul style="list-style-type: none">• Identify and apply relevant technical knowledge and skills to analyse a specific problem.• Use structured information to identify evidence-based solutions.• Select appropriate courses of action using an ethical framework.• Identify the solution which is the best fit with acceptance criteria and objectives.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- apply FRS 102 Section 2 Concepts and Pervasive Principles to identify the financial effects of transactions;
- apply knowledge of UK GAAP through explanation and calculation;
- prepare and present financial statements (including disclosure), or extracts (both single entity and consolidated, using proformas), in conformity with UK GAAP;
- analyse and interpret information to provide useful insights into performance, and identify inconsistencies and limitations of information;

- explain the principal differences between UK GAAP and IFRS® Accounting Standards; and
- identify ethical issues and use ethical codes to formulate solutions and provide advice.

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none"> • Recognise bias and varying quality in data and evidence. • Identify inconsistencies of information presented. • Identify faults in arguments. • Exercise ethical judgement. 	<ul style="list-style-type: none"> • Identify related issues in scenarios. • Identify limitations of information presented. • Appraise ethical, public interest and regulatory issues.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- use judgement to assess the appropriate accounting treatment (including disclosure) for transactions described in the scenarios in respect of both single entity and consolidated financial statements; and
- identify ethical issues and use ethical codes to formulate solutions and provide advice.

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Communication:
<ul style="list-style-type: none"> • Apply technical knowledge to support reasoning and conclusions. • Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations. 	<ul style="list-style-type: none"> • Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient. • Prepare the advice, explanation, or notes required in a clear and concise style.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- explain accounting and reporting concepts in non-technical language;
- explain, with supporting calculations and disclosure, the appropriate accounting treatment for transactions described in the scenario (both single entity and consolidated financial statements);
- prepare and present financial statements (including disclosure), or extracts (both single entity and consolidated financial statements) in conformity with UK GAAP;
- identify significant features in information through analysis and interpretation;
- explain the principal differences between UK GAAP and IFRS Accounting Standards; and
- explain ethical issues and provide possible solutions.

Financial Management

MODULE AIM

To enable students to recommend relevant options for financing a business, recognise and manage financial risks and make appropriate investment decisions.

On completion of this module, students will be able to:

- identify capital requirements of businesses, assess financing options and recommend relevant methods of financing;
- identify the financial risks facing a business and the principal methods of managing those risks; and
- apply appropriate investment appraisal techniques taking into account other factors affecting investment decisions.

METHOD OF ASSESSMENT

The Financial Management exam is 2.5 hours long. The exam consists of three questions. Managing financial risk will be assessed as a discrete topic. The other two questions will assess financing options and investment decisions and valuation either as discrete or integrated topics.

SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

SYLLABUS AREA	WEIGHTING
1 Financing options	35%
2 Managing financial risk	30%
3 Investment decisions and valuation	35%

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

ETHICS AND PROFESSIONAL SCEPTICISM

In identifying financing options, managing financial risk and arriving at appropriate investment decisions, underlying ethical thinking is a requirement. The implications of financial strategy for all stakeholders must be evaluated and any ethical dilemmas resolved. Students will also be expected to apply professional scepticism and critical thinking when making all judgements.

SUSTAINABILITY

The application of sustainability knowledge and understanding gained at Certificate Level (in Management Information and Business Finance and Technology), and built on in this module, is a key progression for the ICAEW chartered accountant at Professional Level. Students will be expected to understand more advanced sustainability-related concepts and their business implications; for example, the different stakeholder perspectives on sustainability and how they relate to sustainability versus the concept of Environmental, Social and Governance (ESG). This is an important foundation to integrating relevant aspects of sustainability into financial management in areas such as risk management, finance and setting targets and measuring performance.

1 FINANCING OPTIONS

Students will be able to identify capital requirements of businesses and assess financing options.

In the assessment, students may be required to:

- a. explain the general objectives of financial management, identify and apply the fundamental principles of financial economics and describe the financial strategy process for a business;
- b. explain the roles played by different stakeholders, advisors and financial institutions in the financial strategy selected by a business and identify possible conflicts of objectives including those relating to sustainability issues;
- c. evaluate the ethical implications of an entity's financial strategy (including those for the organisation, individuals and other stakeholders) and recommend appropriate courses of action to resolve any ethical and sustainability dilemmas that may arise;
- d. describe and analyse the impact of financial markets (including the extent to which they are efficient) and other external factors on a business's financial strategy;
- e. explain the implications of terms included in loan agreements in a given scenario (eg, representations and warranties; covenants; guarantees);
- f. identify the significance and effect of developing technologies on financing decisions;
- g. calculate and interpret the costs of different sources of finance (before and after tax) and the weighted average cost of capital;
- h. explain, in non-technical terms and using appropriate examples, the effect of capital gearing both on investors' perception of risk and reward and the weighted average cost of capital;
- i. calculate and justify an appropriate discount rate for use in an investment appraisal taking account of both the risk of the investment and its financing;
- j. compare the features of different means of making returns to lenders and owners (including dividend policy), explain their effects on the business and its stakeholders, and recommend appropriate options in a given scenario;

- k. forecast the capital requirements for a business taking into account current and planned activities and/or assess the suitability of different financing options (including green finance) to meet those requirements, comparing the financing costs and benefits, referring to levels of uncertainty and making reasonable assumptions which are consistent with the situation;
- l. construct a straightforward investment and financing plan for a given business scenario; and
- m. organise, structure and assimilate data in appropriate ways, using available statistical tools, data analysis and spreadsheets, to support business decisions.

2 MANAGING FINANCIAL RISK

Students will be able to identify the main price and overseas trading risks facing a business and the principal methods of managing those risks.

In the assessment, students may be required to:

- a. identify and describe the key price risks facing a business in a given scenario;
- b. explain how financial instruments (eg, derivatives, hedging instruments) can be used to manage price risks and describe the characteristics of those instruments;
- c. discuss different methods of managing interest rate risk appropriate to a given situation, perform calculations to determine the cost of hedging that risk and select the most suitable method of hedging;
- d. discuss different methods of managing currency (including cryptocurrency) risks appropriate to a given situation, perform calculations to determine the cost of hedging that risk and select the most suitable method of hedging;
- e. discuss different methods of managing share price risk, perform calculations to determine the cost of hedging that risk and select the most suitable method of hedging; and
- f. explain the additional risks of trading abroad and outline the methods available for reducing those risks.

3 INVESTMENT DECISIONS AND VALUATION

Students will be able to apply investment appraisal techniques and calculate the value of shares and businesses.

In the assessment, students may be required to:

- a. outline the investment decision making process and explain how investment decisions are linked to shareholder value;
- b. appraise an investment from information supplied, taking account of relevant cash flows, inflation and tax;
- c. calculate and examine the sensitivity of an investment decision to changes in the input factors;
- d. discuss how the interpretation of results from an investment appraisal can be influenced by an assessment of risk, including the impact of data analytics and sustainability issues on that risk assessment;
- e. explain how the results of the appraisal of projects are affected by the accuracy of the data on which they are based and strategic factors (such as real options and sustainability issues) which could not be included in the computational analysis;
- f. identify in the business and financial environment factors that may affect investment in a different country;
- g. calculate the optimal investment plan when capital is restricted;
- h. recommend and justify a course of action which is based upon the results of an investment appraisal and consideration of relevant non-financial factors such as sustainability and which takes account of the limitations of the techniques being used; and
- i. describe options for reconstruction eg, merger, takeover, spin-off, purchase of own shares and calculate the value of minority and majority shareholdings in traditional and new technology businesses using income, asset based and other approaches as relevant; and
- j. organise, structure and assimilate data in appropriate ways, using available statistical tools, data analysis and spreadsheets, to support business decisions.

SKILLS ASSESSED

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">• Demonstrate understanding of the business context.• Recognise new and complex ideas within a scenario.• Identify the needs of customers and clients.• Explain different stakeholder perspectives and interests.• Identify risks within a scenario.• Identify elements of uncertainty within a scenario.• Explain ethical and sustainability issues within given scenarios.	<ul style="list-style-type: none">• Interpret information provided in various formats.• Evaluate the relevance of information provided.• Filter information provided to identify critical facts.	<ul style="list-style-type: none">• Identify business, financial and sustainability issues from a scenario.• Prioritise key issues.• Work effectively within time constraints.• Operate to a brief in a given scenario.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- absorb and understand both structured and unstructured material including that provided in spreadsheets; and
- give recommendations based on their understanding and interpretation of the information provided, supported by explanation of the reasoning behind and implications of their recommendations.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">• Structure information from various sources into suitable formats for analysis.• Identify any information gaps.• Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes.• Present analysis in accordance with instructions and criteria.	<ul style="list-style-type: none">• Identify and apply relevant technical knowledge and skills to analyse a specific problem.• Identify creative and pragmatic solutions in a business environment.• Identify opportunities to add value.• Identify and anticipate problems that may result from a decision.• Identify a range of possible solutions based on analysis.• Identify ethical dimensions of possible solutions.• Select appropriate courses of action using an ethical and sustainability framework.• Identify the solution which is the best fit with acceptance criteria and objectives.• Define objectives and acceptance criteria for solutions.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- assimilate significant amounts of information including information provided visually and in spreadsheets, to analyse it (using quantitative analysis including statistical tools) in a way that demonstrates relevant technical knowledge and to draw and support appropriate conclusions.

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none">• Identify and appraise assumptions or faults in arguments.• Identify gaps in evidence.• Identify inconsistencies and contradictory information.• Recognise and evaluate bias and varying quality in data.• Exercise ethical judgement.	<ul style="list-style-type: none">• Identify related issues in scenarios.• Assess different stakeholder perspectives when evaluating options.• Retain an overview of the business issue or scenario.• Appraise sustainability issues.• Appraise the effects of alternative future scenarios.• Appraise ethical, public interest and regulatory issues.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- make sense of relatively large volumes of data including data provided visually and in spreadsheets, making judgements on the relevance of data for use in subsequent calculations and discussions;
- reflect on their calculations and the methodology employed and to identify and discuss the implications of calculations; and
- make and justify judgements based on earlier calculations.

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Recommendations:	Communication:
<ul style="list-style-type: none">• Apply technical knowledge to support reasoning and conclusions.• Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.	<ul style="list-style-type: none">• Present recommendations in accordance with instructions and defined criteria.• Make recommendations in situations where risks and uncertainty exist.• Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence.• Develop recommendations which combine different technical skills in a practical situation.	<ul style="list-style-type: none">• Present a basic or routine memorandum or briefing note in writing in a clear and concise style.• Present analysis and recommendations in accordance with instructions.• Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient.• Prepare the advice, report, or notes required in a clear and concise style.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- recommend suitable courses of action in a given situation (financing decisions, dividend decisions, hedging decisions, investment appraisal decisions); and
 - incorporate advice within a 'business report' format, addressing both the strengths and weaknesses of any recommendations and/or reasons for the rejection of alternatives.
-

Tax Compliance

MODULE AIM

To enable students in straightforward scenarios to:

- prepare tax computations for individuals and companies;
- understand the tax implications of a course of action; and
- explain potential tax treatments of transactions.

On completion of this module, students will be able to:

- recognise the ethical issues arising in the course of performing tax work and identify the obligations the UK system of taxation imposes on taxpayers and the implications for taxpayers of non-compliance;
- calculate the amount of VAT owed by or owed to businesses;
- calculate the amount of stamp taxes due in straightforward transactions;
- calculate the capital gains tax payable by individuals;
- calculate the amounts of inheritance tax due on lifetime transfers and transfers on death by individuals, personal representatives and trustees;
- calculate the corporation tax liabilities of companies;
- calculate the amounts of income tax owed by or owed to individuals; and
- calculate the amounts of national insurance payable by individuals, businesses and companies.

TAXES COVERED IN THIS MODULE

Capital gains tax

Corporation tax

Income tax

Inheritance tax

National insurance

Stamp taxes

VAT

METHOD OF ASSESSMENT

The Tax Compliance exam is 2.5 hours long.

The exam will consist of five questions. Students may use the permitted text(s) as detailed on the ICAEW website; [icaew.com/permitteditexts](https://www.icaew.com/permitteditexts).

In the exam, students will generally be expected to assume that any beneficial election, claim or deduction has been made, unless otherwise directed in the exam.

ETHICS AND PROFESSIONAL SCEPTICISM

Ethical behaviour in tax compliance is paramount. Students will be expected to apply the ICAEW Code of Ethics and Professional Conduct in Relation to Taxation. Appropriate and trustworthy calculations and explanations must be provided, being mindful of tax planning, tax avoidance, tax evasion and money laundering. Professional scepticism will be critical in recognising bias and exercising judgement.

SUSTAINABILITY

The application of sustainability knowledge and understanding gained at Certificate Level, and built on in these modules, is a key progression for the ICAEW chartered accountant at Professional Level. Students will be expected to understand sustainability as a driver for tax policy. This is an important foundation to integrating relevant aspects of sustainability into tax policy and planning for businesses.

SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

SYLLABUS AREA	WEIGHTING
1 Ethics, Law and Administration	10-20%
2 Indirect taxes	10-15%
3 Capital taxes	15-25%
4 Corporation tax	15-25%
5 Income tax and NIC	30-40%

This grid provides guidance on the relative weighting between knowledge and skills:

	WEIGHTING
Knowledge	65-75%
Skills	25-35%

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

1 ETHICS, LAW AND ADMINISTRATION

Students will be able to recognise ethical and regulatory issues arising in the course of tax work and identify the administrative obligations under the UK system of tax.

In the assessment, students may be required to:

- a. identify the five fundamental principles and guidance given in the IESBA Code of Ethics for Professional Accountants and the ICAEW Code of Ethics as well as other relevant guidance, including Professional Conduct in Relation to Taxation (PCRT), in relation to a tax practice with regard to:
 - the threats and safeguards framework
 - confidentiality and disclosure of information
 - conflicts of interest
 - professional scepticism;
- b. identify the law and the guidance in the ICAEW Code of Ethics as well as other relevant guidance, including Professional Conduct in Relation to Taxation (PCRT), with regard to:
 - new client procedures
 - regulatory requirements for tax practices
 - exchange of client information with HMRC
 - HMRC errors
 - anti-money laundering and counter-terrorist financing
 - tax planning, tax avoidance and tax evasion;
- c. identify legal and ethical issues arising from tax work undertaken, including disengagement procedures, and explain the significance of these issues and suggest appropriate actions or responses;
- d. identify in relation to income tax, NIC, capital gains tax and corporation tax:
 - key features of the Self Assessment system
 - reporting to HMRC
 - determining due dates for returns, payments and elections
 - calculating interest and penalties;
- e. identify in relation to indirect taxes and inheritance tax:
 - reporting to HMRC
 - determining due dates for returns, payments and elections
 - calculating interest and penalties; and

- identify the key features of the PAYE system in relation UK- and non-UK resident employees.

2 INDIRECT TAXES

Students will be able to calculate the amount of VAT owed by or owed to businesses and calculate the amount of stamp taxes due in straightforward transactions including when these amounts must be reported and paid.

In the assessment, students may be required to:

- explain the VAT consequences of property transactions;
- explain the VAT consequences of group registration for VAT;
- explain the VAT consequences of the option to tax;
- explain and calculate the VAT consequences of the capital goods scheme;
- calculate the VAT due to or from HMRC for both wholly taxable and partially exempt traders;
- explain the VAT consequences of transactions involving goods and services to and from VAT registered and non-VAT registered persons;
- explain the classification of supplies and the distinction between goods and services;
- identify and explain the differing VAT treatment of single and multiple supplies;
- identify common situations in which a liability to Stamp Duty Land Tax, Stamp Duty Reserve Tax, and Stamp Duty arises;
- identify situations where there is an exemption from stamp taxes; and
- calculate the amount of stamp taxes due in straightforward transactions.

3 CAPITAL TAXES

Students will be able to calculate the capital gains tax payable by individuals. Students will also be able to calculate the amounts of inheritance tax due on lifetime transfers and transfers on death by individuals, personal representatives and trustees, including when these amounts must be reported and paid.

In the assessment, students may be required to:

- calculate the chargeable gains and losses on assets, including shares and securities;
- describe the circumstances in which the following reliefs apply and calculate the

effect of full or partial relief available in a given situation:

- letting relief
 - private residence relief
 - gift relief
 - rollover relief
 - business asset disposal relief
 - investors' relief;
- explain the impact of an individual's residence, domicile and deemed domicile on their capital gains tax liability;
 - calculate total taxable gains and tax payable thereon, using available reliefs and losses to reduce the liability, including the computation of double tax relief where appropriate;
 - explain the principles of inheritance tax and identify the different classes of taxpayer liable to pay inheritance tax;
 - explain the impact of an individual's domicile and deemed domicile on their inheritance tax liability;
 - explain when the lifetime transfer of an asset gives rise to an inheritance tax liability, calculate the inheritance tax payable on chargeable lifetime transfers in straightforward scenarios;
 - calculate the death tax due on lifetime transfers and state the due date for payment;
 - calculate the value of an individual's estate at death and the inheritance tax due; and
 - describe the circumstances in which the following inheritance tax reliefs apply and calculate the amount of relief available in a given situation:
 - fall in value relief
 - business property relief
 - quick succession relief
 - taper relief

4 CORPORATION TAX

Students will be able to calculate the corporation tax liabilities of companies, including when these liabilities must be reported and paid.

In the assessment, students may be required to:

- explain the relevance of the distinction between revenue and capital for both receipts and expenses and apply the distinction in a given scenario;

- b. recognise the effect on trading profits of the treatment of:
- provisions
 - capitalised revenue expenditure
 - intangible assets;
- c. calculate trading profits or losses after adjustments and allowable deductions (including capital allowances on plant and machinery and on structures and buildings);
- d. calculate the chargeable gains and losses on disposal of assets, including shares and securities;
- e. describe the circumstances in which rollover relief applies and calculate the effect of full or partial relief available in a given situation;
- f. recognise the effect of the following issues on corporation tax payable:
- having a period of account less than or more than 12 months in length
 - having one or more related 51% group companies
 - being a member of a group;
- g. explain and illustrate how losses may be used effectively by a company or group; and
- h. calculate the taxable total profit and the tax payable or repayable for companies including using losses to reduce the tax liability and the computation of double tax relief where appropriate.

5 INCOME TAX AND NIC

Students will be able to calculate the amounts of income tax owed by or owed to individuals as well as the amounts of national insurance payable by employers, the self-employed and employees, including when these amounts must be reported.

In the assessment, students may be required to:

TRADING PROFITS

- a. explain the relevance of the distinction between revenue and capital for both receipts and expenses and apply the distinction in a given scenario;
- b. recognise the effect on trading profits of the treatment of:
- provisions
 - capitalised revenue expenditure;
- c. calculate trading profits or losses after adjustments and allowable deductions (including capital allowances on plant and

machinery and on structures and buildings) using either the accruals basis or cash basis of accounting;

UNINCORPORATED BUSINESSES

- d. calculate the assessable trading profits or losses of a partnership including after a change in the profit sharing ratio or change in partners, and allocate the profits or losses to each partner including the allocation of notional profits and losses;
- e. calculate the assessable trading profits or losses for an unincorporated business which is commencing, continuing or ceasing to trade;
- f. explain and illustrate the possible uses of trading losses in a new or continuing business or a business ceasing to trade;

TAXATION OF INCOME

- g. calculate assessable employment income for an employee or director, taking into account expenses, allowable deductions and assessable benefits;
- h. calculate taxable savings, income from property, dividend income, taxed income and investment income;
- i. describe and calculate the principal aspects of the taxation of property income, including interest relief, rent-a-room relief, and the application of the cash basis;
- j. explain the alternative ways in which an individual can provide for retirement and calculate the tax relief available;
- k. explain the impact of an individual's residence, domicile and deemed domicile;
- l. calculate total taxable income and the income tax payable or repayable for employees, company directors, partners and self-employed individuals including the computation of double tax relief where appropriate.

NATIONAL INSURANCE CONTRIBUTIONS

Students will be able to calculate the amounts of national insurance payable by individuals, businesses and companies.

In the assessment, students may be required to:

- m. identify the different classes of national insurance contributions;
- n. calculate the national insurance due on employment income and the assessable trading profits of the self-employed; and

- o. calculate the total national insurance contributions payable by employees, employers and self-employed individuals.

SKILLS ASSESSED

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">Identify ethical issues in a given scenario.	<ul style="list-style-type: none">Interpret information provided in various formats.Evaluate the relevance and accuracy of information provided.Filter information provided to identify critical facts.	<ul style="list-style-type: none">Work effectively within time constraints.Operate to a brief in a given scenario.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- explain the implications of proposed transactions in any of the following ways:
 - calculation of tax liabilities and reliefs available;
 - written description of tax treatments;
 - explanation of tax treatments in light of unstructured information relating to individuals, partnerships or companies;
 - description of the availability and values of tax reliefs within the context of numerical questions;
 - explanation of alternative tax treatments; and
 - explanation of ethical issues within given scenarios.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">Present analysis in accordance with instructions and criteria.	<ul style="list-style-type: none">Identify and apply relevant technical knowledge and skills to analyse a specific problem.Use structured information to identify evidence-based solutions.Select appropriate courses of action using an ethical framework.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- calculate tax liabilities from a given scenario;
- demonstrate relevant technical knowledge;
- perform relevant, accurate calculations in a logically structured way;
- identify different business entities and their tax status (eg, company, sole trader, partnership), and understand the tax implications thereof;
- integrate verbal descriptions with calculations;
- use calculations to illustrate an answer; and
- provide relevant legal and ethical information in the context of a tax scenario.

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:

- Recognise bias and varying quality in data and evidence.
- Identify faults in computations and arguments.
- Exercise ethical judgement.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- critically evaluate the quality, completeness and integrity of information put forward by tax payers; and
- assess the legality of options and the consequences of various courses of action with regard to:
 - new client procedures
 - regulatory requirements for tax practice
 - HMRC errors
 - anti-money laundering and counter-terrorist financing
 - tax planning, tax avoidance and tax evasion.

CONCLUDING RECOMMENDING AND COMMUNICATING

Conclusions:

- Apply technical knowledge to support reasoning and conclusions.

Communication:

- Present analysis and recommendations in accordance with instructions.
- Prepare the advice, report, or notes required in a clear and concise style.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- analyse the implications of various courses of action out of a limited set of prescribed options;
- determine the tax implications of scenarios and proposals to provide alternative tax implications;
- show an illustrative example of possible VAT treatments eg with regard to transactions involving land and buildings;
- show an illustrative example of inheritance tax implications of a proposed lifetime transfer or a transfer on death;
- show an illustrative example of the impact of residency status on income tax, capital gains tax or corporation tax; or
- show an illustrative example of whether an individual is trading by applying the badges of trade to reach a reasoned conclusion.

Business Planning

The Business Planning modules provide students with the opportunity to gain subject- and sector-specific knowledge while studying for the ACA. Students will sit one of the Business Planning modules. There are three to choose from – Business Planning: Taxation, Business Planning: Banking, and Business Planning: Insurance.

Business Planning: Taxation

MODULE AIM

To enable students to apply technical knowledge and professional skills to identify and resolve taxation issues that arise in the context of preparing tax computations and to advise on tax-efficient strategies for businesses and individuals.

Students will be required to use technical knowledge and professional judgement to identify, explain and evaluate alternative tax treatments and to determine the appropriate solutions to taxation issues, giving due consideration to the needs of clients and the interaction between taxes. The commercial context and impact of recommendations will need to be considered in making such judgements, as will ethical and legal issues.

PRIOR KNOWLEDGE

There are no regulations stipulating the order in which students must attempt this module. However, students are strongly advised to complete both the Principles of Taxation module and the Tax Compliance module before attempting this module, as the ability to prepare tax computations is required to be successful at this module.

Although technical topics by necessity flow through the three tax exams, a technical topic will not usually be retested in this module in a comprehensive computational question if it has already been tested in detail in either of the other two tax exams.

METHOD OF ASSESSMENT

The Business Planning: Taxation exam is 2.5 hours long. The exam will contain questions requiring the use of communication, judgement and evaluation skills as well as an ability to understand the interaction of different taxes.

The exam will consist of three questions. One question will be an integrated scenario of approximately 40 marks. All three questions may cover a range of taxes as well as including tax planning. Ethics and law may be tested in any of the three questions.

The exam will be open book. Students will be able to access their personal ICAEW Bookshelf and any ICAEW digital learning materials held there, during the exam. Students will also be permitted to take any written or printed material into the exam, subject to practical space restrictions. To see the recommended text(s) for this exam, go to [icaew.com/permitteds](https://www.icaew.com/permitteds).

ETHICS AND PROFESSIONAL SCEPTICISM

It is imperative that ethical issues are prioritised in the planning of business taxation. Students will be expected to apply the ICAEW Code of Ethics and Professional Conduct in Relation to Taxation across all of the questions in the exam. Students will be required to recognise and explain key ethical issues, identify ethical dimensions of possible scenarios, make appropriate judgements being mindful of professional scepticism and make recommendations in a sound and trustworthy manner.

SUSTAINABILITY

The application of sustainability knowledge and understanding gained at Certificate Level, and built on in these modules, is a key progression for the ICAEW chartered accountant at Professional Level. Students will be expected to understand sustainability as a driver for tax policy. This is an important foundation to integrating relevant aspects of sustainability into tax policy and planning for businesses.

SPECIFICATION GRID

This grid provides a general guide as to the subject matter within this module and assessment coverage over a period of time.

SYLLABUS AREA	WEIGHTING
Ethics and law	5-10%
Taxation of corporate entities	35-45%
Taxation of owner-managed businesses	20-30%
Personal taxation	15-25%

This grid provides guidance on the relative weighting between knowledge and skills:

	WEIGHTING
Knowledge	25-35%
Skills	65-75%

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

1 ADVANCED TAXATION

Students will be able to analyse, evaluate and calculate the tax consequences of actions for individuals and companies and evaluate the interaction of taxes in given scenarios. This will involve advising and assisting clients in adhering to tax regulations.

In the assessment students may be required to consider:

TAXATION OF BUSINESS AND CORPORATE ENTITIES

- determine, explain and calculate the tax liabilities for individuals and corporate entities, including income tax, national insurance, corporation tax, diverted profits tax, stamp taxes, VAT, and annual tax on enveloped dwellings (ATED);
- evaluate the tax implications of the choice of business structures, including provision of services through a company;
- explain the taxation issues relating to business start-ups;
- identify and evaluate the impact of close companies on the taxation of companies and individuals;
- explain and evaluate the tax implications of group structures;
- apply, explain and evaluate issues relating to transfer pricing;

- explain and evaluate the tax implications of business transformations and change;
- explain and calculate the tax implications involved in the cessation of trade;

INTERNATIONAL ASPECTS OF CORPORATE TAXATION

- calculate the impact of international expansion on UK tax liabilities;
- explain the tax implications of inward investment in the UK;
- recognise the implications of double tax treaties, the OECD Model Tax Convention, and the OECD BEPS Project;
- apply and advise on double taxation relief;

FINANCING AND INVESTING

- evaluate the taxation implications of financing existing and new businesses;
- evaluate the taxation implications of returns to investors;
- advise and calculate the impact of tax efficient schemes including ISAs, enterprise investment schemes, seed enterprise investment schemes and venture capital trusts;

EMPLOYMENT INCOME AND REMUNERATION PACKAGES

- advise on the tax implications of remuneration packages including share

schemes, termination payments, and allowable deductions;

PERSONAL TAXATION AND OVERSEAS TAXATION

- q. calculate tax liabilities for individuals including income and capital gains tax, national insurance contributions and inheritance tax;
- r. advise on the taxation of foreign assets, income and gains;
- s. evaluate and advise on the impact of residence, non-residence, deemed domicile and domicile on an individual's tax liabilities;
- t. analyse and explain the implications of individuals leaving and coming to the UK as well as the special tax position for non-UK domiciled individuals;
- u. explain the implications of domicile and deemed domicile for inheritance tax;

TRUSTS

- v. identify the need for and advise on the use of trusts in tax planning; and
- w. appreciate in straightforward scenarios, the tax implications of creating and using trusts and the tax implications of assets entering or leaving trusts.

2 TAX PLANNING

Students will be able to advise on alternative tax treatments to defer or minimise tax liabilities. Students will also be able to understand the interaction of taxes in given scenarios and to identify and discriminate between tax evasion and tax avoidance.

In the assessment students may be required to:

- a. identify legitimate tax planning measures to minimise tax liabilities;
- b. evaluate and advise on tax strategies to meet business objectives;
- c. evaluate and advise on alternative tax strategies relating to corporate transformations;
- d. recognise the significance for tax purposes of changes in an individual's circumstances such as marriage and death;
- e. recognise, explain and communicate opportunities to use alternative tax treatments arising from past transactions; and

- f. identify and communicate ethical, professional and sustainability issues in giving tax planning advice.

3 TAX POLICY AND ETHICS

Students will be able to evaluate how tax policy is developed to enhance sustainability and recognise and explain ethical and legal issues arising in taxation scenarios. This will include the concept of the tax gap and use of digital technology to minimise it. Where ethical dilemmas arise, students will be required to apply the five fundamental principles and guidance in the IESBA and ICAEW codes as well as other relevant guidance, including the Professional Conduct in Relation to Taxation (PCRT), to recommend and justify appropriate, legal actions.

In the assessment, students may be required to, in the context of taxation:

- a. recognise and explain the relevance, importance and consequences of ethical, sustainability and legal issues;
- b. recommend and justify appropriate actions where ethical dilemmas arise in a given scenario;
- c. design and evaluate appropriate ethical safeguards; and
- d. recognise and advise when a tax-avoidance scheme is notifiable to HMRC and distinguish between planning, avoidance and evasion and their consequences and the technology used to identify avoidance and evasion.

SKILLS ASSESSED

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">• Demonstrate understanding of the business context.• Recognise new and complex ideas within a scenario.• Identify the needs of customers and clients.• Identify risks within a scenario.• Identify elements of uncertainty within a scenario.• Identify ethical issues including public interest and sustainability issues within a scenario.	<ul style="list-style-type: none">• Interpret information provided in various formats.• Evaluate the relevance of information provided.• Filter information provided to identify critical facts.	<ul style="list-style-type: none">• Identify business and financial issues from a scenario.• Prioritise key issues.• Work effectively within time constraints.• Operate to a brief in a given scenario.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- assimilate information provided by internal and external sources;
- identify and evaluate inconsistencies in information provided from multiple sources; and
- recognise and explain key ethical issues for an accountant undertaking work in taxation.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">• Structure information from various sources into suitable formats for analysis.• Identify any information gaps.• Frame questions to clarify information.• Use a range of data types and sources to inform analysis and decision-making.• Present analysis in accordance with instructions and criteria.	<ul style="list-style-type: none">• Identify and apply relevant technical knowledge and skills to analyse a specific problem.• Use structured information to identify evidence-based solutions.• Identify creative and pragmatic solutions in a business environment.• Identify opportunities to add value.• Identify and anticipate problems that may result from a decision.• Identify a range of possible solutions based on analysis.• Identify ethical dimensions of possible solutions.• Select appropriate courses of action using an ethical framework.• Identify the solution which is the best fit with acceptance criteria and objectives.• Define objectives and acceptance criteria for solutions.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- consider and calculate a range of appropriate tax treatments;
 - provide descriptive analysis and explanations;
 - integrate different taxes and jurisdictions;
 - evaluate taxation impact of a transaction;
 - integrate descriptions with calculations in a form appropriate for the user;
 - apply technical knowledge to perform relevant, accurate calculations in a logically structured way;
 - identify further information or clarify existing arrangements with a client;
 - consider the impact of delaying or modifying future decisions; and
 - identify and explain ethical and legal issues.
-

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none">• Recognise bias and varying quality in data and evidence.• Identify faults in arguments.• Identify gaps in evidence.• Identify inconsistencies and contradictory information.• Assess interaction of information from different sources.• Exercise ethical judgement.	<ul style="list-style-type: none">• Appreciate when more expert help is required.• Identify related issues in scenarios.• Assess different stakeholder perspectives when evaluating options.• Appraise the effects of alternative future scenarios.• Appraise ethical, public interest and regulatory issues.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- apply scepticism to the integrity of information provided in the scenario having regard to its source;
 - select between appropriate options;
 - identify omissions in the information;
 - evaluate inconsistencies in information;
 - evaluate the effects of future events;
 - identify key linkages between information provided in a scenario and possible tax treatments;
 - compare the effects of a range of estimates, outcomes or tax treatments; and
 - exercise own ethical judgement in assessing the consequences of various courses of action.
-

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Recommendations:	Communication:
<ul style="list-style-type: none">• Apply technical knowledge to support reasoning and conclusions.• Apply technical knowledge, professional experience and evidence to support reasoning.• Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.	<ul style="list-style-type: none">• Present recommendations in accordance with instructions and defined criteria.• Make recommendations in situations where risks and uncertainty exist.• Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence.• Make evidence-based recommendations which can be justified by reference to supporting data and other information.• Develop recommendations which combine different technical skills in a practical situation.	<ul style="list-style-type: none">• Present a basic or routine memorandum or briefing note in writing in a clear and concise style.• Present analysis and recommendations in accordance with instructions.• Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient.• Prepare the advice, report, or notes required in a clear and concise style.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- determine the tax implications of scenarios and proposals to provide alternative recommendations to meet a given individual or corporate objective or goal;
- formulate and recommend a reasoned conclusion from structured calculations;
- justify a conclusion made using knowledge of the existing tax regime;
- advise on the ethical considerations;
- explain the limitations of conclusions or recommendations;
- present a report/memorandum in response to a specific technical or ethical issue and in accordance with client requirements;
- present a review of advice or proposed tax strategies making recommendations supported by calculations or analysis of tax issues identified;
- present a justification of a specific recommended action when a variety of options are available;
- identify further information required to complete tax computations and finalise tax advice; and
- give advice which is appropriate, technically correct, and within the law and the ICAEW Code of Ethics as well as other relevant guidance, including the Professional Conduct in Relation to Taxation (PCRT).

Business Planning: Banking

MODULE AIM

To enable students to apply technical knowledge and professional skills to identify and resolve technical compliance and ethical issues that arise in the context of the preparation and evaluation of financial and regulatory reporting and from providing audit and assurance services in the banking sector.

PRIOR KNOWLEDGE

There are no regulations stipulating the order in which students must attempt this module. However, students are strongly advised to complete the Financial Accounting and Reporting module and the Audit and Assurance module before attempting this module, as an understanding of financial reporting and auditing is required to be successful at this module.

METHOD OF ASSESSMENT

The Business Planning: Banking exam is 2.5 hours long. The exam will contain questions requiring the use of communication, judgement and evaluation skills.

The exam will consist of three integrated scenario-based questions. One question will be an integrated scenario of approximately 40 marks. Ethics and law may be tested in any of the three questions.

The exam will be open book. Students will be able to access their personal ICAEW Bookshelf and any ICAEW digital learning materials held there, during the exam. Students will also be permitted to take any written or printed material

into the exam, subject to practical space restrictions. To see the recommended text(s) for this exam, go to [icaew.com/permitteditexts](https://www.icaew.com/permitteditexts).

ETHICS AND PROFESSIONAL SCEPTICISM

It is imperative that ethical issues are prioritised in business planning in the banking sector. Students will be expected to apply the ICAEW Code of Ethics, recognising and explaining ethical dilemmas and evaluating suitable safeguards. Judgement will be required to recognise when regulators should be notified and to identify the ethical implications of providing audit and assurance services to a Public Interest Entity. Professional scepticism must be applied in making judgements.

SUSTAINABILITY

The application of sustainability knowledge and understanding gained at Certificate Level, and built on in Business Planning: Banking, is a key progression for the ICAEW chartered accountant at Professional Level. Students will be expected to understand more advanced sustainability-related concepts and their implications for banks; for example, the different stakeholder perspectives on sustainability and how they relate to sustainability versus the concept of Environmental, Social and Governance (ESG). This is an important foundation to integrating relevant aspects of sustainability into business planning. Applying a finance lens to climate-related (and broader sustainability-related) issues is fundamental to sound risk management, reporting and audit.

SPECIFICATION GRID

This grid provides a general guide as to the subject matter within this module and assessment coverage over a period of time.

SYLLABUS AREA	WEIGHTING
Risk management and financial services products	20-25%
Financial and regulatory reporting for banks	35-40%
Audit and assurance of banks	30-35%
Ethics	5-10%

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

1 FINANCIAL SERVICES: INSTITUTIONS, MARKETS AND PRODUCTS

Students will be able to demonstrate an understanding of the nature, functions and role of the banking sector and of the financial markets relevant to this industry. They will be able to appraise financial products, evaluate the risks and returns associated with such products and evaluate financial product strategies within the banking sector of the financial services industry.

In the assessment, students may be required to:

INSTITUTIONS, MARKETS AND PRODUCTS

- a. demonstrate an understanding of the nature, structure and roles of different types of banks (eg, commercial banks, retail banks, investment banks, private banks, finance houses, mutuals, Islamic banks);
- b. explain the nature and roles of the financial markets (eg, credit, debt, equity, derivatives and money markets) within which banks operate and the functions that banks have within these markets (eg, financial intermediation, securitisation, providing liquidity, clearing, relationship with central banks);
- c. explain the responsibilities that banks have to their stakeholders and the public interest (eg, environmental, social and governance (ESG) and sustainability responsibilities);
- d. explain the nature of derivatives (eg, options, futures, swaps) and how they are traded. In a given scenario demonstrate how derivatives may be utilised (eg, for foreign exchange, interest rates and commodities);
- e. demonstrate an understanding of financial market instruments including those relating to foreign exchange; money markets and trade finance;
- f. identify key aspects of credit risk and appraise the operations of the credit risk function including: corporate loans, bonds, asset finance, trade finance, debt factoring and securitisation;
- g. recognise and explain the nature and functions of securities products and markets;

- h. explain and evaluate key securities issues for banks including: valuations, reserves, levelling, confirmations, nostro and vostro accounts, and stock reconciliations;
- i. explain and evaluate alternative financial assets and the markets in which they operate (eg, property, commodities, cryptocurrency); and
- j. demonstrate an understanding of the opportunities and threats to traditional banking models created by digital technologies: artificial intelligence, automation, distributed ledger technology such as blockchain, cloud computing, cyber security, data and digital transformation including FinTech, and peer to peer arrangements.

2 RISK MANAGEMENT

Students will be able to identify the regulatory, operational and financial risks in relation to the banking sector and explain the principal methods and frameworks for managing those risks.

In the assessment, students may be required to:

- a. explain the nature and consequences of corporate governance requirements relating to banks, including those arising from the UK Corporate Governance Code and Basel, and demonstrate an understanding of how good governance can contribute to the management of risk and creation of value in a variety of scenarios;
- b. explain and assess the role and effectiveness of the audit and risk committees;
- c. explain the functions and purposes of the asset-liability committee (ALCO) and other committees responsible for risk management within a bank and perform analysis for risk identification and management;
- d. identify and explain the key operational risks experienced by a bank in a given scenario, for example IT failure, cybercrime, ESG and sustainability risks and fraud, and provide advice in the context of uncertainty;
- e. explain the concept of risk appetite, identify the factors that influence a bank's risk appetite and advise on how an appropriate level of risk taking might be determined by a bank, including the use of data analytics;
- f. explain how a bank might manage credit risk and make reasoned recommendations,

- supported by analysis, in the context of a given scenario;
- g. explain and demonstrate, using appropriate analysis, how financial instruments (eg, derivatives, hedging instruments) can be utilised to manage different types of financial risks for clients and in the context of proprietary trading by banks;
 - h. explain how a bank might manage its own liquidity and capital risk (including assessing the impact of collateral and asset encumbrance issues and funding sources);
 - i. explain and evaluate the risks arising from digital technologies: artificial intelligence, automation distributed ledger technology such as blockchain, cloud computing, cyber security, data and digital disruption, including FinTech, and peer to peer arrangements;
 - j. explain how a bank might mitigate risks using digital technologies, including data analytics, and artificial intelligence; and
 - k. explain how money laundering and other financial crime risks arise, identify and evaluate the risks this generates for banks and advise how a bank can respond to mitigate the threat of money laundering.

3 FINANCIAL AND REGULATORY REPORTING

Students will be able to demonstrate an understanding of how banks prepare financial reports for their annual financial statements and other regulatory requirements. This includes demonstrating knowledge of the accounting treatment of key transactions and balances, including financial instruments, and also demonstrating the ability to analyse the financial statements of banks.

In the assessment, students may be required to:

- a. explain and analyse a bank's statement of profit or loss, including its major sources of income;
- b. explain and analyse a bank's statement of financial position, including its major components and priorities: liquidity, capital, leverage ratio;
- c. determine and calculate how different bases for recognising, measuring, disclosing and classifying financial assets and financial liabilities can impact upon reported performance and financial position in accordance with IAS 32, IFRS 7, IFRS 9 and IFRS Sustainability Disclosure Standards;
- d. demonstrate an understanding of the financial reporting treatment of derivatives, including appropriate calculations;
- e. show, explain and appraise hedge accounting principles and procedures in accordance with IFRS 9 and IAS 39, including appropriate calculations;
- f. demonstrate an understanding of the financial reporting treatment of financial asset impairments for banks identifying relevant risks and preparing calculations of impairment loss allowances;
- g. identify and explain the circumstances where it is appropriate to use fair value measurement for financial instruments in accordance with IFRS 13 and evaluate the factors which may impact upon fair values, including trading cycles, market risk, credit risk, liquidity risk and associated controls (but not including technical valuation);
- h. perform analysis of financial and management information for purposes including the appraisal of the potential credit risk from a company seeking finance, the identification of risks facing a financial institution or the evaluation of a potential acquisition target;
- i. demonstrate an understanding of disclosure and presentation in financial reporting for financial instruments in accordance with IAS 32 and IFRS 7;
- j. demonstrate an understanding of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the proposals of the Task Force on Nature-related Financial Disclosures (TNFD), and explain the fundamental principles of the requirements for banks;
- k. describe the principal differences between IFRS Standards and UK GAAP and prepare simple extracts from financial statements in accordance with UK GAAP; and
- l. demonstrate an understanding of the regulatory reporting requirements for banks including:
 - Regulatory framework (Basel Committee, Financial Stability Board, Bank of England/Financial Conduct Authority/ Prudential Regulation Authority)
 - Fundamentals of regulatory capital, and capital management (Basel framework, CRD IV and CRR, capital ratio, risk-

- weighted assets, definition of capital, leverage ratio, liquidity coverage ratio)
- Basel 3 Pillar 3 disclosures, and bank regulatory returns
- Conduct regulation and accounting for regulatory penalties
- Managing the financial risks from climate change.

4 AUDIT AND ASSURANCE

Students will be able to demonstrate an understanding of issues relating to audit and assurance assignments for banks and be able to explain the risks, regulations and compliance procedures that are relevant to the banking sector. Students should be able to recognise and appraise the special considerations relating to the audit of banks and design appropriate audit procedures.

In the assessment, students may be required to:

- demonstrate an understanding of the application of auditing standards to banks and be able to apply, in given scenarios, the provisions of Practice Note 19, *The Audit of Banks and Building Societies in the United Kingdom*;
- explain, evaluate and apply the provisions of Practice Note 23, *Special Considerations in Auditing Financial Instruments* and apply the audit procedures necessary in providing assurance over the completeness, accuracy, existence and valuation of financial instruments;
- appraise and apply appropriate audit procedures to the assumptions underlying banking models eg, impairment, fair value in accordance with ISA 540;
- explain and apply appropriate audit procedures with respect to impairment loss allowances; appraising the risk of impairment, providing assurance in respect of the financial reporting treatment, and demonstrating an appropriate degree of professional scepticism;
- explain the duty and right to disclose information to FCA, PRA and BoE and dialogue between bank auditors and supervisors;
- demonstrate an understanding of the circumstances in which a bank may hold client money and a basic understanding

- of the consequences for the bank and the auditor of holding client money;
- g. identify, explain and apply appropriate assurance procedures with respect to a credit review;
- h. demonstrate an understanding of the role of a Skilled Person with reference to a Section 166 report; and
- i. demonstrate an understanding of the role of assurance and the nature of assurance procedures in the banking industry, including internal audit and due diligence.

5 ETHICS

Students will be able to recognise and explain ethical issues arising in banking related scenarios, and be able to apply professional scepticism. Where ethical dilemmas arise, students will be required to apply the fundamental principles and guidance in the ICAEW Code to identify, recommend and justify appropriate actions.

In the assessment, students may be required to, in the context of banking related scenarios:

- recognise and explain the relevance, importance and consequences of ethical, professional conduct, business trust, legal and public interest issues;
- apply professional scepticism in their role by questioning information and its source and any responses given to them;
- recommend and justify appropriate actions where ethical dilemmas arise in a given scenario;
- design and evaluate appropriate ethical safeguards;
- recognise and advise when, how and to whom an issue should be notified to regulators;
- recognise the ethical implications of providing audit and assurance services to a Public Interest Entity; and
- evaluate the ethical implications of an organisation's selection, capture, analysis and use of data, and the ethical issues arising from the use of technology.

SKILLS ASSESSED

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">• Demonstrate understanding of the business context.• Recognise new and complex ideas within a scenario.• Identify the needs of customers and clients.• Identify and evaluate key risks within a scenario.• Identify and evaluate elements of uncertainty within a scenario.• Identify and explain ethical issues including public interest and sustainability issues within a scenario.	<ul style="list-style-type: none">• Interpret information provided in various formats.• Evaluate the relevance of information provided.• Filter information provided to identify critical facts.	<ul style="list-style-type: none">• Identify and explain business and financial issues from a scenario.• Prioritise key issues.• Work effectively within time constraints.• Operate to a brief in a given scenario.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- recognise specific issues that may arise in the context of the situation described;
- identify and evaluate inconsistencies in information provided from multiple sources;
- recognise and explain key ethical issues for an accountant undertaking work in banking; and
- assimilate and analyse data presented in a range of formats and levels of detail.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">• Structure information from various sources into suitable formats for analysis.• Identify and evaluate any information gaps.• Frame questions to clarify information.• Use a range of data types and sources to inform analysis and decision-making.• Present analysis in accordance with instructions and criteria.	<ul style="list-style-type: none">• Identify and apply relevant technical knowledge and skills to analyse a specific problem.• Use structured information to identify evidence-based solutions.• Identify creative and pragmatic solutions in a business environment.• Identify and explain opportunities to add value.• Identify and anticipate problems that may result from a decision.• Identify and evaluate a range of possible solutions based on analysis.• Identify and explain ethical dimensions of possible solutions.• Select appropriate courses of action using an ethical framework.• Identify and justify the solution which is the best fit with acceptance criteria and objectives.• Define objectives and acceptance criteria for solutions.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- formulate, evaluate and implement accounting and reporting policies;
 - identify regulatory issues and requirements and consider appropriate responses where necessary;
 - integrate requirements of various international regulatory bodies and jurisdictions;
 - identify and explain audit issues for a banking client and suggest appropriate responses;
 - integrate descriptions with calculations in a form appropriate for the user;
 - apply technical knowledge to perform relevant, accurate calculations in a logically structured way;
 - identify and justify further information needed;
 - provide descriptive analysis and explanations; and
 - identify and explain ethical and legal issues.
-

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none">• Recognise bias and varying quality in data and evidence.• Identify and justify faults in arguments.• Identify and evaluate gaps in evidence.• Identify and evaluate inconsistencies and contradictory information.• Assess and evaluate interaction of information from different sources.• Exercise ethical judgement.	<ul style="list-style-type: none">• Appreciate when more expert help is required.• Identify and explain related issues in scenarios.• Assess different stakeholder perspectives when evaluating options.• Appraise the effects of alternative future scenarios.• Appraise ethical, public interest and regulatory issues.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- apply scepticism to the integrity of information provided in the scenario having regard to its source;
 - identify and evaluate omissions in the information;
 - evaluate inconsistencies in information;
 - exercise own ethical judgement in assessing the consequences of various courses of action;
 - evaluate the effects of future events;
 - assess the materiality of errors; and
 - select between appropriate options.
-

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Recommendations:	Communication:
<ul style="list-style-type: none">• Apply technical knowledge to support reasoning and conclusions.• Apply technical knowledge, professional experience and evidence to support reasoning.• Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.	<ul style="list-style-type: none">• Present recommendations in accordance with instructions and defined criteria.• Make recommendations in situations where risks and uncertainty exist.• Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence.• Make evidence-based recommendations which can be justified by reference to supporting data and other information.• Develop recommendations which combine different technical skills in a practical situation.	<ul style="list-style-type: none">• Present a basic or routine memorandum or briefing note in writing in a clear and concise style.• Present analysis and recommendations in accordance with instructions.• Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient.• Prepare the advice, report, or notes required in a clear and concise style.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- formulate and recommend a reasoned conclusion from data, facts, calculations, judgements and own analysis;
- advise on the ethical considerations;
- draw conclusions from data, facts, calculations, judgements and own analysis;
- explain the limitations of conclusions or recommendations;
- identify and assess key linkages;
- compare the effects of a range of estimates, and outcomes or financial treatments;
- present a report/memorandum in response to a specific technical or ethical issue and in accordance with client requirements;
- present reasoned, practicable advice that is clear and concise, supported by calculations or analysis of issues identified;
- present a justification of a specific recommended action when a variety of options are available;
- identify further information required to finalise preliminary recommendations; and
- give advice only where it is appropriate, technically correct, and within the relevant regulations and is in accordance with the ICAEW Code of Ethics.

Business Planning: Insurance

MODULE AIM

To enable students to apply technical knowledge and professional skills to identify and resolve technical compliance and ethical issues that arise in the context of the preparation and evaluation of financial and regulatory reporting and from the provision of audit and assurance services in the insurance sector.

PRIOR KNOWLEDGE

There are no regulations stipulating the order in which students must attempt this module. However, students are strongly advised to complete the Financial Accounting and Reporting module and the Audit and Assurance module before attempting this module, as an understanding of financial reporting and auditing is required to be successful at this module.

METHOD OF ASSESSMENT

The Business Planning: Insurance exam is 2.5 hours long. The exam will contain questions requiring the use of communication, judgement and evaluation skills.

The exam will consist of three integrated scenario-based questions. One question will be an integrated scenario of approximately 40 marks. Ethics, regulation, and law may be tested in any or all of the three questions.

The exam will be open book. Students will be able to access their personal ICAEW Bookshelf and any ICAEW digital learning materials held there, during the exam. Students will also be permitted to take any written or printed material into the exam, subject to practical space

SPECIFICATION GRID

This grid provides a general guide as to the subject matter within this module and assessment coverage over a period of time.

SYLLABUS AREA	WEIGHTING
Insurance products and risk management	20-25%
Financial and regulatory reporting for insurance companies	35-40%
Audit and assurance of insurance companies	30-35%
Ethics	5-10%

restrictions. To see the recommended text(s) for this exam, go to [icaew.com/permittedtexts](https://www.icaew.com/permittedtexts).

ETHICS AND PROFESSIONAL SCEPTICISM

It is imperative that ethical issues are prioritised in business planning in the insurance sector. Students will be expected to apply the ICAEW Code of Ethics in any questions in the exam, recognising and explaining ethical dilemmas and evaluating suitable safeguards. Judgement will be required to recognise when regulators should be notified and to identify the ethical implications of providing audit and assurance services to a Public Interest Entity. Professional scepticism must be applied in making judgements.

SUSTAINABILITY

The Business Planning: Insurance exam emphasises the application of sustainability knowledge and understanding gained at Certificate Level in an insurance context. This includes an understanding of the impact of climate-related and broader sustainability risks relating to the assets and liabilities of insurers. Students will also be expected to understand more advanced sustainability-related concepts and their business implications; for example, different stakeholder perspectives on sustainability and how they relate to sustainability versus the concept of Environmental, Social and Governance (ESG). This is an important foundation to integrating relevant aspects of sustainability into business planning for insurers.

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

1 INSURANCE: PRINCIPLES, SERVICES AND PRODUCTS

Students will be able to demonstrate an understanding of the principles, services and products applying in the insurance sector and the markets relevant to this industry. They will be able to appraise insurance related financial products, evaluate the risks and returns associated with such products and evaluate asset and liability management strategies within the insurance sector.

Throughout this syllabus, “insurance” means direct insurance, whether general or long-term business, and also reinsurance. It includes business in the Lloyd’s insurance market. Reinsurance includes reinsurance ceded and reinsurance risks accepted from other insurance companies by a reinsurer.

In the assessment, students may be required to:

- a. demonstrate an understanding of the principles, practices, and functions of the insurance sector and its related markets and the responsibilities of insurers to their stakeholders (eg, sustainability responsibilities);
- b. explain the nature of general (non-life) insurance and demonstrate an understanding of the issues and practices for different classes of insurance having regard to the impact that climate change may have on dynamic risks, including but not limited to: property, motor, health, catastrophe and casualty;
- c. explain the nature of life insurance and demonstrate an understanding of the issues and practices relating to savings products, annuities, pensions and other long-term insurance products;
- d. explain the nature, principles and purposes of the various types of reinsurance contracts, including evaluating the costs and benefits of risk sharing between the ceding and reinsurer companies;
- e. identify and explain common investment classes; evaluate the risks attached to each class of investment and advise on asset management strategies in a given scenario;
- f. explain and evaluate the assets and liabilities specific to insurance companies including utilising industry methods and models for estimating the total cost of claims, including claims notified, claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER);
- g. demonstrate a basic understanding of actuarial modelling in the context of insurance, including the use of data, the nature of the assumptions and their implications for estimating liabilities;
- h. demonstrate an understanding of the different distribution routes used by insurers; and
- i. demonstrate an understanding of the opportunities and threats to traditional insurance models created by digital technologies, including data analytics, peer-to-peer risk sharing arrangements, and distributed ledger technologies eg, blockchain.

2 RISK MANAGEMENT

Students will be able to identify the regulatory, operational and financial risks in relation to the insurance sector and explain the principal methods and frameworks for managing those risks including data analytics.

In the assessment, students may be required to:

- a. explain the nature and consequences of corporate governance requirements relating to insurance companies, including those arising from the UK Corporate Governance Code and Solvency II, and demonstrate an understanding of how good governance can contribute to the management of risk and creation of value in a variety of scenarios, including having regard to stakeholders’ legitimate expectations about responses to environmental, social and governance (ESG) and sustainability issues;
- b. identify and explain the key operational risks experienced by an insurance company in a given scenario, for example IT failure, cybercrime, sustainability risks and fraud, and provide advice in the context of uncertainty;
- c. demonstrate the ability to differentiate between insurance risk and underwriting risk;

- d. explain the concept of risk appetite, identify the factors that influence an insurer's risk appetite, and advise on how an appropriate level of risk taking might be determined by an insurer;
 - e. explain conduct risk and the customer centric perspective; recognising the role of regulators and evaluating how an insurance company might manage conduct risk in the context of a given scenario, making reasoned recommendations;
 - f. identify and evaluate asset and liability matching strategies in the context of a given scenario, providing reasoned advice;
 - g. explain and demonstrate, using appropriate analysis, how financial instruments (including derivatives, contingent convertible bonds, catastrophe bonds and mortality bonds) can be utilised to manage different types of financial risks;
 - h. demonstrate an understanding of the factors that impact upon an insurer's risk management, including culture, controls, risk models, data analytics and strategy, and provide reasoned advice in the context of a given scenario;
 - i. identify and explain risks specific to life insurance and non-life insurance in the context of a given scenario and advise on appropriate measures to mitigate and manage them;
 - j. explain how an insurance company might manage risks using digital technologies, including big data, data analytics and artificial intelligence; and
 - k. explain how money laundering and other financial crime risks arise; identify and evaluate the risks this generates for insurers; and advise how an insurer can respond to mitigate the threat of money laundering.
- a. explain and analyse an insurance company's statement of profit or loss (income statement), and demonstrate an understanding of each type of income and expense;
 - b. explain and analyse an insurance company's statement of financial position, demonstrate an understanding of each of its major components;
 - c. explain, appraise and apply IFRS 17, *Insurance Contracts* including:
 - initial and subsequent measurement of insurance contracts using both the premium allocation approach and the general measurement method
 - the presentation of insurance contracts and profits and losses therefrom in the financial statements
 - the impact of changes in measurement assumptions and estimates on the financial statements;
 - d. explain, appraise and apply the provisions of IFRS 103, *Insurance Contracts* and describe the principal differences between IFRS® Accounting Standards and UK GAAP for insurers;
 - e. demonstrate an understanding of the principles underlying the calculation of MCEV, including key differences and similarities to IFRS;
 - f. determine and calculate how different bases for recognising, measuring, disclosing and presenting financial assets and financial liabilities can impact upon reported performance and financial position in accordance with IAS 32, IFRS 7, IFRS 9, IFRS 40, IFRS Sustainability Standards and IFRS 103;
 - g. determine the impact on reported performance and financial position of the recoverability of reinsurance receivables, allowing for insolvency of reinsurers, exhaustion of reinsurance, obligations arising from "financial reinsurance" and gaps in reinsurance cover;
 - h. demonstrate an understanding of the financial reporting treatment of derivatives, including the basic principles of hedge accounting in accordance with IFRS 9;
 - i. show and appraise the IFRS 9 treatments of the impairment of financial instruments, demonstrating an understanding of the relevant principles;

3 FINANCIAL AND REGULATORY REPORTING

Students will be able to demonstrate an understanding of how insurance companies prepare financial reports for their annual financial statements and other regulatory requirements. This includes demonstrating knowledge of the accounting treatment of key transactions and balances, including financial instruments, and also demonstrating the ability to analyse the financial statements of insurance companies.

In the assessment, students may be required to:

- j. identify and explain the circumstances where it is appropriate to use fair value measurement in accordance with IFRS 13 and evaluate the factors which may impact upon fair values, including trading cycles, credit risk, market risk and associated controls (but not including technical valuation);
- k. demonstrate an understanding of disclosure and presentation in financial reporting for financial instruments in accordance with IAS 32 and IFRS 7;
- l. demonstrate an understanding of the proposals of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD), and explain the fundamental principles of the requirements for insurers; and
- m. demonstrate an understanding of the regulations and regulatory reporting requirements for insurance companies arising from each of the following:
 - UK regulatory framework (Bank of England/Prudential Regulation Authority, Financial Conduct Authority, Financial Ombudsman Service)
 - introduction to regulatory capital, capital management and Solvency II
 - solvency II Pillar 3 disclosures, the Solvency & Financial Condition Report
 - capital and regulatory reporting requirements for non-Solvency II firms
 - pension Protection Fund requirements
 - economic capital models, including Market Consistent Embedded Value principles
 - conduct regulation and accounting for regulatory penalties
 - managing the financial risks from climate change.

4 AUDIT AND ASSURANCE

Students will be able to demonstrate an understanding of issues relating to audit and assurance assignments for insurers and be able to explain the risks, regulations and compliance procedures that are relevant to assurance assignments in the insurance sector. Students should be able to recognise and appraise the special considerations relating to assurance for insurance companies and design appropriate assurance procedures.

In the assessment, students may be required to:

- a. demonstrate an understanding of the application of auditing standards to insurance companies and be able to apply, in given scenarios, the provisions of Practice Note 20, *The Audit of Insurers in the United Kingdom*;
- b. explain, evaluate and apply the provisions of Practice Note 23, *Special Considerations in Auditing Financial Instruments* and apply the audit procedures necessary in providing assurance over the completeness, accuracy, existence and valuation of financial instruments;
- c. identify and explain risks of material misstatement, both at the financial statement level and for key assertion risks related to an insurer's financial statements;
- d. appraise and apply appropriate audit procedures to the assumptions underlying actuarial models in accordance with ISA 540;
- e. demonstrate an understanding of the role of the review actuary and explain the principles and issues that determine the relationship between the assurance provider and the review actuary;
- f. apply assurance procedures for an insurer's regulatory returns in accordance with the terms of the specific engagement;
- g. demonstrate an understanding of the auditor's responsibilities in relation to the audit of an insurance company's Solvency and Financial Condition Report;
- h. demonstrate an understanding of the circumstances in which an insurer, broker or pension provider may hold client money and a basic understanding of the consequences for the insurer and the auditor of holding client money;
- i. demonstrate an understanding of the role of a Skilled Person with reference to a Section 166 report and the application of the essential elements relevant ICAEW guidance (TECH01/18FSF);
- j. demonstrate an understanding of the role of assurance and the nature of assurance procedures in the insurance industry, including internal audit and due diligence; and
- k. explain the importance of critically assessing an insurance company's strategic report in addition to its financial statements

for consistency and for the purpose of understanding the entity.

5 ETHICS

Students will be able to recognise and explain ethical issues arising in insurance-related scenarios and will be able to apply professional scepticism. Where ethical issues and dilemmas arise, students will be required to apply the fundamental principles and guidance in the ICAEW Code to identify, recommend and justify appropriate, proportionate actions.

In the assessment, students may be required to, in the context of insurance related scenarios:

- a. recognise and explain the relevance, importance and consequences of ethical, professional conduct, business trust, legal and public interest issues;
- b. apply professional scepticism in their role by questioning information, its source and any responses given to them;
- c. recommend and justify appropriate actions where ethical issues arise in a given scenario;
- d. design and evaluate appropriate ethical safeguards;
- e. recognise and advise when, how and to whom an issue should be notified;
- f. recognise the ethical implications of providing audit and assurance services to a Public Interest Entity; and
- g. evaluate the ethical implications of an organisation's selection, capture, analysis and use of data, and ethical issues arising from an organisation's use of technology.

SKILLS ASSESSED

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">• Demonstrate understanding of the business context.• Recognise new and complex ideas within a scenario.• Identify and explain the needs of customers and clients.• Identify and evaluate key risks within a scenario.• Identify and evaluate elements of uncertainty within a scenario.• Identify ethical issues including public interest and sustainability issues within a scenario.	<ul style="list-style-type: none">• Interpret information provided in various formats.• Evaluate the relevance of information provided.• Filter information provided to identify critical facts.	<ul style="list-style-type: none">• Identify and explain business and financial issues from a scenario.• Prioritise key issues.• Work effectively within time constraints.• Operate to a brief in a given scenario.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- recognise specific issues that may arise in the context of the situation described;
- identify and evaluate inconsistencies in information provided from multiple sources;
- recognise and explain key ethical issues for an accountant undertaking work in insurance; and
- assimilate and analyse data presented in a range of formats.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">• Structure information from various sources into suitable formats for analysis.• Identify and evaluate any information gaps.• Frame questions to clarify information.• Use a range of data types and sources to inform analysis and decision-making.• Present analysis in accordance with instructions and criteria.	<ul style="list-style-type: none">• Identify and apply relevant technical knowledge and skills to analyse a specific problem.• Use structured information to identify evidence-based solutions.• Identify creative and pragmatic solutions in a business environment.• Identify and explain opportunities to add value.• Identify and anticipate problems that may result from a decision.• Identify and evaluate a range of possible solutions based on analysis.• Identify ethical dimensions of possible solutions.• Select appropriate courses of action using an ethical framework.• Identify and justify the solution which is the best fit with acceptance criteria and objectives.• Define objectives and acceptance criteria for solutions.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- formulate, evaluate and implement accounting and reporting policies;
 - identify regulatory issues and requirements and consider appropriate responses where necessary;
 - integrate requirements of various regulatory bodies applicable to UK entities;
 - identify and explain audit issues for an insurance client and suggest appropriate responses;
 - integrate descriptions with calculations in a form appropriate for the user;
 - apply technical knowledge to perform relevant, accurate calculations in a logically structured way;
 - identify and justify further information needed;
 - provide descriptive analysis and explanations; and
 - identify and explain ethical and legal issues.
-

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none">• Recognise bias and varying quality in data and evidence.• Identify and justify faults in arguments.• Identify and evaluate gaps in evidence.• Identify and evaluate inconsistencies and contradictory information.• Assess and evaluate interaction of information from different sources.• Exercise ethical judgement.	<ul style="list-style-type: none">• Appreciate when more expert help is required.• Identify and explain related issues in scenarios.• Assess different stakeholder perspectives when evaluating options.• Appraise the effects of alternative future scenarios.• Appraise ethical, public interest and regulatory issues.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- apply scepticism to the integrity of information provided in the scenario having regard to its source;
 - identify omissions in the information;
 - evaluate inconsistencies in information;
 - exercise own ethical judgement in assessing the consequences of various courses of action;
 - evaluate the effects of future events;
 - assess the materiality of errors; and
 - select between appropriate options.
-

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Recommendations:	Communication:
<ul style="list-style-type: none">• Apply technical knowledge to support reasoning and conclusions.• Apply technical knowledge, professional experience and evidence to support reasoning.• Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.	<ul style="list-style-type: none">• Present recommendations in accordance with instructions and defined criteria.• Make recommendations in situations where risks and uncertainty exist.• Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence.• Make evidence-based recommendations which can be justified by reference to supporting data and other information.• Develop recommendations which combine different technical skills in a practical situation.	<ul style="list-style-type: none">• Present a basic or routine memorandum or briefing note in writing in a clear and concise style.• Present analysis and recommendations in accordance with instructions.• Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient.• Prepare the advice, report, or notes required in a clear and concise style.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- formulate and recommend a reasoned conclusion from data, facts, calculations, judgements and own analysis;
- draw conclusions from data, facts, calculations, judgements and own analysis;
- advise on the ethical considerations;
- explain the limitations of conclusions or recommendations;
- identify and assess key linkages;
- compare the effects of a range of estimates, and outcomes or financial treatments;
- present a report/memorandum in response to a specific technical or ethical issue and in accordance with client requirements;
- present a reasoned, practicable advice that is clear and concise, supported by calculations or analysis of issues identified;
- present a justification of a specific recommended action when a variety of options are available;
- identify further information required to finalise preliminary recommendations; and
- give advice only where it is appropriate, technically correct, and within the relevant regulations and is in accordance with the ICAEW Code of Ethics.

Technical knowledge

The tables contained in this section show the technical knowledge in the disciplines of financial reporting, audit and assurance, business analysis, ethics and taxation covered in the ACA syllabus by module.

For each individual standard the level of knowledge required in the relevant Certificate and Professional Level module and at the Advanced Level is shown.

The knowledge levels are defined as follows:

LEVEL D

An awareness of the scope of the standard.

LEVEL C

A general knowledge with a basic understanding of the subject matter and training in its application thereof sufficient to identify significant issues and evaluate their potential implications or impact.

LEVEL B

A working knowledge with a broad understanding of the subject matter and a level of experience in the application thereof sufficient to apply the subject matter in straightforward circumstances.

LEVEL A

A thorough knowledge with a solid understanding of the subject matter and experience in the application thereof sufficient to exercise reasonable professional judgement in the application of the subject matter in those circumstances generally encountered by chartered accountants.

KEY TO OTHER SYMBOLS:

→ The knowledge level reached is assumed to be continued

Assurance and Audit

TOPIC	ASSURANCE	AUDIT AND ASSURANCE	ADVANCED LEVEL
The International Auditing and Assurance Standards Board		D	C
The Authority Attaching to Standards Issued by the International Auditing and Assurance Standards Board		C	A
The Authority Attaching to Practice Statements Issued by the International Auditing and Assurance Standards Board			A
FRC Scope and Authority of Audit and Assurance Pronouncements (March 2023)	B	A	→
Discussion Papers			C
Working Procedures			C
International Standards on Quality Management (ISQMs) (UK)			
Quality Management For Firms That Perform Audits Or Reviews Of Financial Statements, Or Other Assurance Or Related Services Engagements (Updated March 2023)		C	B
Engagement Quality Reviews (Updated March 2023)		C	B
International Standards on Auditing (UK)			
200 (Revised June 2016) (Updated May 2022) <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing (UK)</i>	B	A	→
210 (Revised June 2016) (Updated May 2022) <i>Agreeing the Terms of Audit Engagements</i>		B	→
220 (Revised July 2021) <i>Quality Management for an Audit of Financial Statements</i>		B	→
230 (Revised June 2016) (Updated May 2022) <i>Audit Documentation</i>	C	B	A
240 (Revised May 2021) (Updated May 2022) <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>	C	B	A
250 Section A (Revised November 2019) (Updated May 2022) <i>Consideration of Laws and Regulations in an Audit of Financial Statements</i>		B	A
250 Section B (Revised November 2019) <i>The Auditor's Statutory Right and Duty to Report to Regulators of Public Interest Entities and Regulators of Other Entities in the Financial Sector</i>			C
260 (Revised November 2019) (Updated May 2022) <i>Communication with Those Charged with Governance</i>		B	A
265 (Updated May 2022) <i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i>		B	A
300 (Revised June 2016) (Updated May 2022) <i>Planning an Audit of Financial Statements</i>	B	A	→
315 (Revised July 2020) <i>Identifying and Assessing the Risks of Material Misstatement</i>	B	A	→
320 (Revised June 2016) (Updated May 2022) <i>Materiality in Planning and Performing an Audit</i>	C	A	→
330 (Revised July 2017) (Updated May 2022) <i>The Auditor's Responses to Assessed Risks</i>	C	B	A
402 (Updated May 2022) <i>Audit Considerations Relating to an Entity Using a Service Organization</i>		C	B
450 (Revised June 2016) (Updated May 2022) <i>Evaluation of Misstatements Identified During the Audit</i>	C	A	
500 (Updated May 2022) <i>Audit Evidence</i>	B	A	→
501 (Updated May 2022) <i>Audit Evidence - Specific Considerations for Selected Items</i>		B	A
505 (Updated October 2023) <i>External Confirmations</i>	B	B	A
510 (Revised June 2016) <i>Initial Audit Engagements - Opening Balances</i>	C	B	A
520 (Updated May 2022) <i>Analytical Procedures</i>	B	A	A

TOPIC	ASSURANCE	AUDIT AND ASSURANCE	ADVANCED LEVEL
530 (Updated May 2022) <i>Audit Sampling</i>	B	B	A
540 (Revised December 2018) (Updated May 2022) <i>Auditing Accounting Estimates, and Related Disclosures</i>	C	B	A
550 (Updated May 2022) <i>Related Parties</i>	C	B	A
560 <i>Subsequent Events</i>		B	A
570 (Revised September 2019) (Updated May 2022) <i>Going Concern</i>		A	→
580 (Updated May 2022) <i>Written Representations</i>	C	B	A
600 (Revised September 2022) <i>Special Considerations - Audits of Group Financial Statements (including the Work of Component Auditors)</i>		C	A
610 (Revised June 2013) (Updated May 2022) <i>Using the Work of Internal Auditors</i>	C	B	A
620 (Revised November 2019) (Updated May 2022) <i>Using the Work of an Auditor's Expert</i>		B	A
700 (Revised November 2019) (Updated May 2022) <i>Forming an Opinion and Reporting on Financial Statements</i>	B	A	→
701 (Revised November 2019) (Updated May 2022) <i>Communicating Key Audit Matters in the Independent Auditor's Report</i>		B	A
705 (Revised June 2016) <i>Modifications to the Opinion in the Independent Auditor's Report</i>		A	→
706 (Revised June 2016) <i>Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report</i>		A	→
710 <i>Comparative Information - Corresponding Figures and Comparative Financial Statements</i>		B	A
720 (Revised November 2019) (Updated May 2022) <i>The Auditor's Responsibility Relating to Other Information</i>		B	A
800 (Revised) <i>Special Considerations - Audits of Financial Statements prepared in Accordance with Special Purpose Frameworks</i>		C	A
805 (Revised) <i>Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i>		C	A
International Standards on Assurance Engagements (ISAEs) (UK)			
3000 (July 2020) <i>Assurance Engagements Other Than Audits Or Reviews Of Historical Financial Information</i>		C	B
International Standards on Auditing			
810 (Revised) <i>Engagements to Report on Summary Financial Statements</i>			B
International Auditing Practice Note (IAPN)			
1000 <i>Special Considerations in Auditing Financial Instruments</i>			B
International Standards on Review Engagements (ISREs)			
2400 (Revised) <i>Engagements to Review Historical Financial Statements</i>		C	B
International Standards on Review Engagements (UK)			
2410 (Revised May 2021) <i>Review of Interim Financial Information Performed by the Independent Auditor of the Entity</i>		C	B
International Standards on Assurance Engagements (ISAEs)			
3400 <i>The Examination of Prospective Financial Information</i>		C	A
3402 <i>Assurance Reports on Controls at a Service Organisation</i>		C	B
3410 <i>Assurance Engagements on Greenhouse Gas Statements</i>		C	→
International Standards on Related Services (ISRSs)			
4400 <i>Agreed-upon Procedures Engagements (Revised)</i>			B
4410 <i>Compilation Engagements (Revised)</i>			B
Other Guidance			
Bulletin (August 2021): <i>Illustrative Auditor's Reports on UK Private Sector Financial Statements</i>		B	B

Business and Finance

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	
STRATEGIC ANALYSIS					
Industry and market analysis tools					
PESTEL analysis		C		A	→
Porter's five forces		C		A	→
Product life cycle		C		A	→
Boston consulting group matrix		C		A	→
Prices and markets		C		A	→
Competitor analysis		C		A	→
Positional and other analysis tools					
Resource audit		C		A	→
Resource-based strategy		C		A	→
Value chain analysis		C		A	→
SWOT analysis		C		A	→
Gap analysis		C		A	→
Marketing analysis		C		A	→
Competitive advantage		C		A	→
Benchmarking		C		A	→
Directional policy matrix					B
Business process analysis				B	A
Strategic risk analysis				A	→
Balanced scorecard		C		A	→
STRATEGIC CHOICE					
Strategy formulation, evaluation and choice		C		A	→
Business risk management		C		A	→
Financial analysis and data analysis				A	→
Stakeholder analysis		C		A	→
Objectives and stakeholders' preferences		C		A	→
STRATEGIC IMPLEMENTATION					
Business plans		C		A	→
Organisational structure		C		A	→
Information management		C		B	A
Change management				A	→
Project management					A
BUSINESS MANAGEMENT					
Performance management				C	A
Strategic marketing and brand management				B	A
Corporate governance		C		B	A
Information strategy				B	A
Human resource management		C		B	A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	

COST ANALYSIS FOR DECISION MAKING

Costing

Cost classification	A			→	→
Costing systems - direct, marginal, absorption	B			→	→
Activity based costing (ABC)	C			→	B
Break even analysis	B			→	A
Multi-product break even analysis					B
Budgeting and performance management	B			→	A

Pricing

Pricing decisions	B			A	→
Transfer pricing	B			A	→

Decision making techniques

Expected values				B	A
Relevant cash flows				B	A
Sensitivity analysis				B	A

BUSINESS AND SHAREHOLDER VALUE

Valuation Techniques

Income - dividend yield			B		A
Income - P/E			B		A
Income - discounted cash flow			B		A
Asset based measures			B		A
Options approach					B

Shareholder value

Value based management (VBM)					B
Value drivers			B		A
Shareholder value analysis (SVA)			B		A
Short and long term growth rates and terminal values					A
Economic profit					A
Cash flow return on investment (CFROI)					A
Total shareholder return (TSR)					A
Market value added (MVA)					A

INVESTMENT APPRAISAL AND RISK ANALYSIS

Project appraisal

NPV	B		A		→
IRR	B		A		→
MIRR					A
Payback	B		A		→
Relevant cash flows			A		→
Tax and inflation			A		→
Replacement analysis			A		→
Capital rationing			A		→
Adjusted present value (APV)			A		→

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	

Assessing risk

Project appraisal and risk			B		A
Expected values		C	B		A
Scenario planning					A
Gap analysis				B	→
Continuous vs event risk				B	→

FINANCIAL ANALYSIS

Cost of capital

Cost of equity			B		A
Cost of debt			B		A
Cost of preference shares			B		A
Cost of bank loans			B		A
Weighted average cost of capital (WACC)			B		A
Effective interest rates					A
Splitting convertibles into equity and debt elements					A
Equity instruments					A

Portfolio theory and CAPM

Portfolio theory			B		A
CAPM			B		A
Asset pricing models					B
CAPM and cost of capital			B		A
International cost of capital					A

Bonds and fixed interest securities

Bond pricing			B		A
Yields to maturity			B		A
Duration and price volatility					A
Convexity					A
Term structure of interest rates					A
Corporate borrowing and default risk					A

Data analytics

Spreadsheet functions (per published list)			A	A	A
Sensitivity analysis			B	B	A
Scenario analysis			B	B	A
Data distributions		C	B	B	A
Data bias		B	A	A	A
Data visualisation		C		B	B

Quantitative methods

Standard deviation		C	C	C	B
Co-efficient of variation		C	C	C	B
Probabilities			B	B	A
Correlation			C	C	B
Z-score					B
Confidence intervals					B

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	

SOURCES OF FINANCE AND FINANCING ARRANGEMENTS

Short, medium and long term sources of finance		C			A
Green finance		C	B		A
Loan agreement conditions (warranties; covenants; guarantees)			B		A
Raising capital		C			A
Gearing and capital structure			A		→
Loan agreements and covenants			A		→
Dividend policy			A		→
Financing reconstructions (eg, group reconstruction, spin off, purchase of own shares, use of distributable profits)			B		A
Treasury and working capital management	C				A
Small and medium company financing					B
History of finance					C

FINANCIAL ENGINEERING

Futures, options and swaps

Options			B		A
Interest rate futures			B		A
Interest rate options			B		A
Interest forward rate agreements (FRAs)			B		A
Interest rate swaps			B		A
Commodity derivatives					A
Hedging			B		A

Foreign exchange

Currency forward contracts			B		A
Currency money market cover			B		A
Currency options			B		A
Currency swaps			B		A
Managing currency risk			B		A
Determinants of foreign exchange rates			B		A

Option value

Valuing call and put options			C		B
Black Scholes option pricing model					B
Binomial option pricing model					B
Real options			C		B

SUSTAINABILITY IN BUSINESS AND FINANCE

Types of sustainability (environmental, social, economic)	C	C	C	A	A
ESG	C	C	B	A	A
Corporate responsibility, sustainability and climate change		C		B	A
Green finance		C	B		A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	
Measurement and metrics in sustainability	C			B	A
Reporting on sustainability (mandatory and non-mandatory)					A
Risk management and sustainability			C		A
Regulation of sustainability					B
Sustainability and ethics			B	B	A

Ethics Codes and Standards

ETHICS CODES AND STANDARDS	LEVEL	MODULES
<p>IESBA International Code of Ethics for Professional Accountants (Revised September 2023) (parts 1, 2 and 3 and Glossary)</p> <p>ICAEW Code of Ethics (effective from 1 January 2020)</p>	Certificate Level	
	C/D	Accounting
	B	Assurance
	C/D	Business, Technology and Finance
	D	Law
	C	Management Information
	C	Principles of Taxation
	Professional Level	
	A	Audit and Assurance
	B	Business Strategy and Technology
	B	Financial Accounting and Reporting
	B/C	Financial Management
	B	Tax Compliance
	B	Business Planning
	Advanced Level	
	A	Corporate Reporting
	A	Strategic Business Management
A	Case Study	
<p>FRC Revised Ethical Standard (December 2019) and Erratum (January 2020) and Glossary of Terms - Ethics and Auditing (Updated December 2019)</p>	B	Assurance
	A	Audit and Assurance
	Advanced Level	
	A	Corporate Reporting
	A	Strategic Business Management
	A	Case Study

Financial Reporting - IFRS

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		ADVANCED LEVEL
	ACCOUNTING	FINANCIAL ACCOUNTING AND REPORTING	CORPORATE REPORTING
Preface to International Financial Reporting Standards		A	A
Conceptual Framework for Financial Reporting	B	A	A
IAS 1, <i>Presentation of Financial Statements</i>	A	A	A
IAS 2, <i>Inventories</i>	B	A	A
IAS 7, <i>Statement of Cash Flows</i>	B	A	A
IAS 8, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	B	B	A
IAS 10, <i>Events after the Reporting Period</i>		A	A
IAS 12, <i>Income Taxes</i>		C	A
IAS 16, <i>Property, Plant and Equipment</i>	B	A	A
IAS 19, <i>Employee Benefits</i>		-	A
IAS 20, <i>Accounting for Government Grants and Disclosure of Government Assistance</i>		A	A
IAS 21, <i>The Effects of Changes in Foreign Exchange Rates</i>		C	A
IAS 23, <i>Borrowing Costs</i>		A	A
IAS 24, <i>Related Party Disclosures</i>		B	A
IAS 26, <i>Accounting and Reporting by Retirement Benefit Plans</i>		-	D
IAS 27, <i>Separate Financial Statements</i>		B	A
IAS 28, <i>Investments in Associates and Joint Ventures</i>		B	A
IAS 29, <i>Financial Reporting in Hyperinflationary Economics</i>		-	D
IAS 32, <i>Financial Instruments: Presentation</i>		B	A
IAS 33, <i>Earnings Per Share</i>		C	A
IAS 34, <i>Interim Financial Reporting</i>		-	A
IAS 36, <i>Impairment of Assets</i>	C	B	A
IAS 37, <i>Provisions, Contingent Liabilities and Contingent Assets</i>	C	A	A
IAS 38, <i>Intangible Assets</i>	C	A	A
IAS 39, <i>Financial Instruments: Recognition and Measurement (Hedging only)</i> (Note 1)		-	A
IAS 40, <i>Investment Property</i> (Note 1)		-	A
IAS 41, <i>Agriculture</i>		-	D
IFRS 1, <i>First-time Adoption of IFRS</i>		-	C
IFRS 2, <i>Share-based Payment</i>		-	A
IFRS 3, <i>Business Combinations</i>		B	A
IFRS 4, <i>Insurance Contracts</i> (Note 1)		-	D
IFRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>		B	A
IFRS 6, <i>Exploration for and Evaluation of Mineral Resources</i>		-	D
IFRS 7, <i>Financial Instruments: Disclosures</i>		C	A
IFRS 8, <i>Operating Segments</i>		-	A
IFRS 9, <i>Financial Instruments</i> (Note 1)		C	A
IFRS 10, <i>Consolidated Financial Statements</i>		B	A
IFRS 11, <i>Joint Arrangements</i>		B	A
IFRS 12, <i>Disclosure of Interests in Other Entities</i>		B	A
IFRS 13, <i>Fair Value Measurement</i>		C	A
IFRS 14, <i>Regulatory Deferral Accounts</i>		-	C

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		ADVANCED LEVEL
	ACCOUNTING	FINANCIAL ACCOUNTING AND REPORTING	CORPORATE REPORTING
IFRS 15, <i>Revenue from Contracts with Customers</i>	C	B	A
IFRS 16, <i>Leases</i>	D	B	A
IFRS 17, <i>Insurance Contracts</i> (Note 1)		-	C
IFRS for SMEs		-	A
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	D	C	A
IFRS S2 Climate-related Disclosures	D	C	A

Note 1: Business Planning Banking and Business Planning: Insurance cover IAS 39 and IFRS 9 in more detail than in the Financial Accounting and Reporting syllabus at Professional Level. Business Planning: Insurance also covers IFRS 4, IFRS 17 and IAS 40 which are not part of the Financial Accounting and Reporting syllabus at Professional Level.

Financial Reporting - UK GAAP

TOPIC	PROFESSIONAL LEVEL
	FINANCIAL ACCOUNTING AND REPORTING
The financial reporting framework	A
FRS 102 s.1 <i>Scope</i>	A
FRS 102 s.1A <i>Small Entities</i>	B
FRS 102 s.2 <i>Concepts and Pervasive Principles</i>	A
FRS 102 s.3 <i>Financial Statement Presentation</i>	A
FRS 102 s.4 <i>Statement of Financial Position</i>	A
FRS 102 s.5 <i>Statement of Comprehensive Income and Income Statement</i>	A
FRS 102 s.6 <i>Statement of Changes in Equity and Statement of Income and Retained Earnings</i>	A
FRS 102 s.7 <i>Statement of Cash Flows</i>	A
FRS 102 s.8 <i>Notes to the Financial Statements</i>	A
FRS 102 s.9 <i>Consolidated and Separate Financial Statements</i>	B
FRS 102 s.10 <i>Accounting Policies, Estimates and Errors</i>	B
FRS 102 s.11 <i>Basic Financial Instruments</i>	C
FRS 102 s.12 <i>Other Financial Instruments Issues</i>	-
FRS 102 s.13 <i>Inventories</i>	A
FRS 102 s.14 <i>Investments in Associates</i>	B
FRS 102 s.15 <i>Investments in Joint Ventures</i>	B
FRS 102 s.16 <i>Investment Property</i>	-
FRS 102 s.17 <i>Property, Plant and Equipment</i>	A
FRS 102 s.18 <i>Intangible Assets other than Goodwill</i>	A
FRS 102 s.19 <i>Business Combinations and Goodwill</i>	B
FRS 102 s.20 <i>Leases</i>	B
FRS 102 s.21 <i>Provisions and Contingencies</i>	A
FRS 102 s.22 <i>Liabilities and Equity</i>	B
FRS 102 s.23 <i>Revenue</i>	A
FRS 102 s.24 <i>Government Grants</i>	A
FRS 102 s.25 <i>Borrowing Costs</i>	B
FRS 102 s.26 <i>Share-based Payments</i>	-
FRS 102 s.27 <i>Impairment of Assets</i>	B
FRS 102 s.28 <i>Employee Benefits</i>	-
FRS 102 s.29 <i>Income Tax</i>	C
FRS 102 s.30 <i>Foreign Currency Translation</i>	C
FRS 102 s.31 <i>Hyperinflation</i>	-
FRS 102 s.32 <i>Events after the End of the Reporting period</i>	A
FRS 102 s.33 <i>Related Party Disclosures</i>	B
FRS 102 s.34 <i>Specialised Activities</i>	-
FRS 102 s.35 <i>Transition to this FRS</i>	-
FRS 105 s.1 <i>Scope</i>	A
FRS 105 s.2 <i>Concepts and Pervasive Principles</i>	A
FRS 105 s.3 <i>Financial Statement Presentation</i>	A
FRS 105 s.4 <i>Statement of Financial Position</i>	A
FRS 105 s.5 <i>Income Statement</i>	A
FRS 105 s.6 <i>Notes to the Financial Statements</i>	A

TOPIC	PROFESSIONAL LEVEL
	FINANCIAL ACCOUNTING AND REPORTING
FRS 105 s.7 <i>Subsidiaries, Associates, Jointly Controlled Entities and Intermediate Payment Arrangements</i>	A
FRS 105 s.8 <i>Accounting Policies, Estimates and Errors</i>	A
FRS 105 s.9 <i>Financial Instruments</i>	C
FRS 105 s.10 <i>Inventories</i>	A
FRS 105 s.11 <i>Investments in Joint Ventures</i>	B
FRS 105 s.12 <i>Property, Plant and Equipment</i>	A
FRS 105 s.13 <i>Intangible Assets other than Goodwill</i>	A
FRS 105 s.14 <i>Business Combinations and Goodwill</i>	B
FRS 105 s.15 <i>Leases</i>	B
FRS 105 s.16 <i>Provisions and Contingencies</i>	A
FRS 105 s.17 <i>Liabilities and Equity</i>	B
FRS 105 s.18 <i>Revenue</i>	A
FRS 105 s.19 <i>Government Grants</i>	A
FRS 105 s.20 <i>Borrowing Costs</i>	B
FRS 105 s.21 <i>Share-based Payment</i>	-
FRS 105 s.22 <i>Impairment of Assets</i>	B
FRS 105 s.23 <i>Employee Benefits</i>	-
FRS 105 s.24 <i>Income Tax</i>	C
FRS 105 s.25 <i>Foreign Currency Translation</i>	C
FRS 105 s.26 <i>Events after the End of the Reporting period</i>	A
FRS 105 s.27 <i>Specialised Activities</i>	-
FRS 105 s.28 <i>Transition to this FRS</i>	-
SDS 1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>	C
SDS 2 <i>Climate-related Disclosures</i>	C

Taxation

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION

LEGAL AND ETHICAL FRAMEWORK

Anti-money laundering and counter terrorist financing guidance	C	B	A
Base erosion and profit-shifting (BEPS) project			C
Devolution of taxes		C	C
Disclosure of tax avoidance schemes (DOTAS)			A
General anti-abuse rule (GAAR)		C	A
HMRC	B	→	→
Objectives of taxation	C	→	→
Professional Conduct in Relation to Taxation (PCRT)		B	B
Tax planning, evasion and avoidance	C	B	A

ADMINISTRATION

Administration	B	A	→
Appeals	C	→	→
Apprenticeship levy		B	→
Digital accounts and digital record keeping	B	→	→
PAYE/NIC	B	A	→
Payments	B	A	→
Penalties and interest	B	→	→
Self-assessment	B	A	→

CAPITAL GAINS TAX

Chargeable gains			
Annual exempt amount	B	A	→
Capital gains tax for trusts			C
Chargeable assets	C	B	→
Chargeable disposals	C	B	→
Chargeable persons	C	B	→
Chattels: wasting and non-wasting	B	→	→
Connected persons		A	→
Converted trading losses		B	→
Costs of acquisition and disposal	C	B	→
Nil gain/nil loss transfers		A	→
Part disposals		B	→
Qualifying corporate bonds		B	→
Rate of tax	B	A	→
Relief for capital losses		A	A
Reorganisations and reconstructions			A
Shares and securities (including bonus and rights issues)		B	→

Chargeable gains reliefs

Business asset disposal relief		B	A
Gift relief		B	A
Incorporation relief			A
Investors' relief		B	A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
Letting relief		A	→
Private residence relief		A	B
Reinvestment relief under EIS/SEIS			B
Roll-over relief		B	A
Overseas aspects of capital gains tax			
Arising basis		B	A
Deemed domicile		B	A
Domicile		B	A
Double tax relief		A	→
Gains on foreign assets		B	A
Remittance basis		B	A
Residence		C	A
Temporary absence			A
UK taxation of non-domiciled individuals		B	A
INCOME TAX			
Trading profits			
Adjustments to profits	B	A	→
Badges of trade	B	A	→
Capital allowances	B	A	→
Cash basis of accounting	B	A	→
Foreign currency transactions			A
Pension contributions		A	→
Pre-trading expenditure		A	→
Patent royalties			B
Unincorporated businesses			
Basis of assessment	B	A	→
Partnerships	B	A	→
Trading losses		A	→
Treatment of terminal losses		A	→
Employment income			
Allowable deductions against employment income		A	→
Employment income	B	A	→
Share schemes			A
Statutory Mileage Rates Scheme		A	→
Taxable and exempt benefits	B	A	→
Termination payments			B
Other income/expenditure			
Dividends from UK companies	B	A	→
Enterprise Investment Scheme			B
Investment income	B	A	→
ISAs	B	→	→
Miscellaneous income		A	→
Property income	C	B	A
Savings income	B	A	→
Seed Enterprise Investment Scheme			B
Venture Capital Trusts			B

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
Overseas aspects of income tax			
Arising basis		B	A
Deemed domicile		B	A
Domicile		B	A
Double tax relief		A	→
Income on foreign assets and income from foreign employment		B	A
Remittance basis		B	A
Residence		B	A
UK taxation of non-domiciled individuals		B	A
Income tax computation			
Exempt income	B	A	→
Gifts of assets and cash to charity	B	A	→
Income tax liability and income tax payable	B	A	→
Income tax charge on child benefit		B	→
Independent taxation and jointly owned assets		B	A
Income tax for trusts			C
Limit on income tax reliefs		A	→
Marriage allowance	B	A	→
Pension contributions - provisions for retirement		B	A
Pension contributions - tax reliefs		B	A
Personal allowances	B	A	→
Qualifying interest payments		B	→
Rates of taxation	B	A	→
Taxable persons	C	A	→
INHERITANCE TAX			
Fundamental principles of inheritance tax			
Chargeable persons		A	→
Chargeable property		A	→
Excluded property		B	→
Inter-spouse transfers		A	→
Rates of taxation		A	→
Related property		B	→
Seven-year accumulation period		A	→
Transfers of value		A	→
Trusts		C	→
Valuation		A	→
Inheritance tax on lifetime transfers			
Relevant property trusts		A	→
Potentially exempt transfers		A	→
Inheritance tax on death			
Death estate		A	→
Deeds of variation			B
Lifetime transfers		A	→
Overseas aspects of inheritance tax			
Deemed domicile		C	A
Domicile		C	A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
Double tax relief		A	→
Lex-situs rules		A	→
Reliefs and exemptions from inheritance tax			
Annual exemption		A	→
Business property relief		B	A
Fall in value relief		A	→
Gifts to charities and political parties		A	→
Gifts with reservation of benefit			A
Pre-owned assets tax charge			A
Inter-spouse transfers		A	→
Marriage/civil partnership exemption		A	→
Normal expenditure out of income		A	→
Quick succession relief		B	→
Small gifts exemption		A	→
Taper relief		A	→
NATIONAL INSURANCE CONTRIBUTIONS			
Class 1			
- calculation	A	→	→
- directors		B	→
- earnings	C	B	→
- employment allowance	A	→	→
Class 1A			
- calculation	A	→	→
- earnings	C	B	→
Class 1B		B	→
Class 4			
- calculation	A	→	→
- earnings	C	B	→
Maximum contributions		C	→
CORPORATION TAX			
Chargeable gains			
Chargeable assets	C	B	→
Chargeable disposals	C	B	→
Chargeable persons	C	B	→
Chattels: wasting and non-wasting	B	→	→
Costs of acquisition and disposal	C	B	→
Indexation		A	→
Leases			A
Nil gain/nil loss transfers		A	→
Part disposals		B	→
Purchase of own shares			A
Qualifying corporate bonds		B	→
Relief for capital losses		A	→
Reorganisations and reconstructions			A
Rollover relief		B	A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
Shares and securities (including bonus and rights issues)		B	→
Substantial shareholding exemption		C	A
Trading profits			
Adjustments to profits	B	A	→
Badges of trade	B	A	→
Capital allowances - plant and machinery	B	A	→
Capital allowances - structures and buildings		A	→
Foreign currency transactions			A
Long periods of account	C	A	→
Pension contributions		B	→
Patent royalties			B
Taxable total profits			
Chargeable gains	B	A	→
Intangible fixed assets		-	B
Loan relationships	B	B	A
Loan relationships - corporate interest restriction			A
Miscellaneous income	B	A	→
Property income (excluding lease premiums)		B	A
Qualifying donations	B	A	→
Research and development expenditure		A	→
Trading losses - post April 2017		B	A
Trading profits	B	A	→
Use of deficit on non-trading loan relationships - post April 2017		B	A
Corporation tax computation			
Accounting periods	C	B	A
Close companies			A
Corporation tax liability	B	A	→
Distributions		B	→
Diverted profits tax			B
Double tax relief (including underlying tax and withholding tax)		B	→
Liquidation			A
Provision of services through a company			A
Rates of taxation	B	A	→
Residence	C	B	→
Tax treaties and the OECD Model Tax Convention			C
Groups			
Capital gains groups		B	A
Change in group structure			A
Change in ownership			A
Consortium relief			B
Controlled foreign companies			A
Degrouping charges		B	A
Group loss relief		B	A
Group relationships		A	→
Non-coterminous accounting periods			A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
Overseas companies and branches			B
Pre-acquisition gains and losses			A
Related 51% group companies		B	A
Roll-over relief		B	A
Transfer of assets		B	A
Transfer pricing			A

STAMP TAXES

Basic principles		B	→
Chargeable occasions		B	→
Exemptions		B	→
Stamp taxes for groups		B	→
Annual tax on enveloped dwellings (ATED)			C

VAT

Capitals goods scheme		B	→
Classification of supplies		B	→
Distinction between goods and services		C	→
Overseas aspects		A	→
Group aspects		A	→
Input VAT	A	→	→
Output VAT	A	→	→
Partial exemption		B	→
Payments	A	→	→
Penalties and interest	A	→	→
Property transactions		B	A
Registration and deregistration	A	→	→
Single and multiple supplies		B	→
Small business reliefs	A	→	→
Taxable person	A	→	→
Taxable supplies	A	→	→
Transfer of a business as a going concern			A
VAT records, accounts and digital reporting	A	→	→

Business Planning: Banking

TOPIC	BUSINESS PLANNING: BANKING
Banking: markets, services and products	
The nature and roles of different types of banks	A
The nature and roles of the financial markets within which banks operate	A
The nature of derivatives and how they are traded	B
Financial market instruments including those relating to foreign exchange	A
Key aspects of credit risk and the operations of the credit risk function	A
The nature and functions of securities products and markets	A
Key securities issues for banks	B
Alternative financial assets and the markets in which they operate	B
Risk management	
The nature of corporate governance in the banking sector	A
The function and purpose of the asset-liability committee (ALCO)	A
The key risks experienced by a bank	A
The concept of risk appetite	A
How a bank might manage credit risk	A
Financial instruments to manage risks	A
How a bank might manage its own liquidity and capital risk	A
Managing digital and technology risk arising in banking including artificial intelligence, distributed ledger technology eg, blockchain, cyber security, automation, cloud computing and FinTech	B
Financial and regulatory reporting	
Statement of Profit or Loss and Statement of Financial Position	A
Financial assets and liabilities - IAS 32, IFRS 7, IFRS 9	A
Financial reporting treatment of derivatives	A
Hedge accounting in accordance with IFRS 9	A
Hedge accounting in accordance with IAS 39	C
Financial reporting treatment of impairments for banks - IFRS 9	A
Fair value measurement in accordance with IFRS 13	A
Financial statement analysis to appraise potential credit risk	A
Disclosing financial instruments in accordance with IAS 32 and IFRS 7	B
IFRS Sustainability Standards	A
The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and its fundamental principles	B
The proposals of the Task Force on Nature-related Financial Disclosures (TNFD) and its fundamental principles	B
Principal differences between IFRS and UK GAAP	B
Regulatory framework	A
Regulatory capital and capital management	B
Basel 3 Pillar 1 and 2 calculations of minimum capital requirements	B
Basel 3 Pillar 3 disclosures, and bank regulatory returns	B
Conduct regulation and accounting for regulatory penalties	A
Audit and assurance	
Practice Note 19, <i>The Audit of Banks and Building Societies in the United Kingdom</i>	A
Practice Note 23, <i>Special Considerations in Auditing Financial Instruments</i>	A
ISA 540 Audit of accounting estimates	A
Impairment allowances audit procedures	A
The duty and right to disclose information to FCA, PRA and BoE	B

TOPIC	BUSINESS PLANNING: BANKING
Identification of client money	C
Assurance procedures with respect to a credit review	A
Section 166 reports (and the role of a skilled person)	C
Role of assurance in the banking industry including internal audit and due diligence	A
Ethics	
Recognition and explanation of ethical and legal issues	A
Appropriate ethical actions	A
Ethical safeguards	A
Ethical issues to be notified to regulators	A
Ethical implications of providing audit and assurance services to a Public Interest Entity	A

Business Planning: Insurance

TOPIC	BUSINESS PLANNING: INSURANCE
Insurance: products	
Principles, practices and functions of the insurance sector and its related markets	A
The nature, principles and purposes of general (non) life insurance	A
The nature, principles and purposes of life insurance	A
The nature, principles and purposes of reinsurance contracts	A
Common investment classes	A
Liabilities of insurance companies including IBNR and IBNER	A
The principles and models of actuarial modelling	C
Risk management	
The nature of corporate governance in the insurance sector	A
The key risks experienced by an insurance company	A
The concept of risk appetite	A
Conduct risk and the customer centric perspective	B
Asset and liability matching scenarios	A
Financial instruments to manage risk	A
Risk management	A
Financial and regulatory reporting	
Format of Income Statement and Statement of Financial Position	A
IFRS 17, <i>Insurance Contracts</i>	A
FRS 103 - <i>Insurance Contracts</i>	B
Principal differences between IFRS and UK GAAP	B
Assets and liabilities - IAS 32, IFRS 7, IFRS 9	A
Financial reporting treatment of derivatives	B
Hedge accounting in accordance with IFRS 9	C
Impairments in accordance with IFRS 9	A
IAS 40 - <i>Investment Property</i>	B
Fair value measurement in accordance with IFRS 13	A
Disclosing financial instruments in accordance with IAS 32 and IFRS 7	C
IFRS Sustainability Standards	A
The proposals of the Task Force on Climate-related Financial Disclosures (TCFD) and its fundamental principles	C
The proposals of the Task Force on Nature-related Financial Disclosures (TNFD) and its fundamental principles	B
Principles underlying the calculation of MCEV, including comparison to IFRS	B
UK regulatory framework	A
Regulatory capital, capital management and Solvency II	B
Solvency II Pillar 3 disclosures, the Solvency & Financial Condition Report	B
Capital and regulatory reporting requirements for non-Solvency II firms	C
Conduct regulation and accounting for regulatory penalties	A
Audit and assurance	
Practice Note 20, <i>The Audit of Insurers in the United Kingdom</i>	A
Practice Note 23, <i>Special Considerations in Auditing Financial Instruments</i>	A
ISA 540 - <i>Audit of Accounting Estimates</i>	A
The review actuary	B

TOPIC	BUSINESS PLANNING: INSURANCE
Audit and assurance procedures for an insurer's regulatory returns	B
Identification of client money	C
Section 166 FSMA reports (and the role of a skilled person)	C
Ethics	
Recognition and explanation of ethical and legal issues	A
Appropriate ethical actions	A
Ethical safeguards	A
Ethical issues to be notified to regulators	A