



ACA syllabus and technical knowledge grids

**PROFESSIONAL LEVEL
BUSINESS PLANNING: BANKING**

For exams in 2018

CONTENTS

ACA OVERVIEW.....	2
Professional Level.....	10
Business Planning: Banking.....	10
Technical Knowledge Grids.....	19

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 components are:

- Professional development
- Ethics and professional scepticism
- Three to five years practical work experience
- 15 accountancy, finance and business exams

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
- communication
- decision making
- ethics and professionalism
- problem solving
- teamwork
- technical competence.

ETHICS AND PROFESSIONAL SCEPTICISM

Ethics is more than just knowing the rules around confidentiality, integrity, objectivity and independence. It's about identifying ethical dilemmas, understanding the implications and behaving appropriately. We integrate ethics throughout the ACA qualification to develop students' ethical capabilities – so they will always know how to make the right decisions and justify them.

THREE TO FIVE YEARS' PRACTICAL WORK EXPERIENCE

Practical work experience is done as part of a training agreement with an authorised training employer or principal. Students need to complete 450 days, which normally takes between three and five years. The knowledge, skills and experience they gain as part of their training agreement 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.

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 with the exception of 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 taken 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.

These six exams are also available as a stand-alone certificate, the ICAEW Certificate in Finance, Accounting and Business (ICAEW CFAB) and as part of the ICAEW Level 4 Trailblazer in Accountancy. ICAEW CFAB and our apprenticeship can serve as stepping stones to the ACA qualification.

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.

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

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 are based on the same syllabus structure and skills frameworks, and will provide students with 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. 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.

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.

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.

SYLLABUS

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.

ASSESSMENT

The six Certificate Level exams each have a 1.5 hour computer-based exam, a 55% pass mark, and can be sat throughout the year at an ICAEW-approved test centre.

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. The Professional Level exams are examined using computer-based exams. The Audit and Assurance, Financial Accounting and Reporting, Financial Management and Tax Compliance exams moved to computer in 2017 and are no longer available as paper-based exams.

Business Planning: Taxation and Business Strategy and Technology will move to computer-based exams in March 2018, with Business Planning: Banking and Business Planning: Insurance moving to computer-based exams in June 2018.

From June 2018, all Professional Level exams will be computer-based.

The three Advanced Level modules are also examined using paper-based exams. 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 the introduction of computer-based exams, visit the exam resources area on our website at icaew.com/cbe

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 Case Study, 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

OPEN BOOK POLICY

For some Professional Level exams, students are permitted to take certain publications into the exam. Details of these publications and our open book policy can be found at icaew.com/permittedtexts

For the Professional Level Business Planning alternative exams, and at the Advanced Level, students are permitted to take any material into the exam, subject to practical space restrictions.

SKILLS PROGRESSION THROUGH THE ACA QUALIFICATION

Assessed skills	Certificate Level	Professional Level	Advanced Level	
			Corporate Reporting and Strategic Business Management	Case Study
Assimilating and using information				
Understanding the situation and the requirements	Objective testing	Simple scenarios	Complex scenarios	Unstructured complex business scenarios
Identifying and using relevant information	Information as provided	Single information source provided	Multiple information sources provided	Multiple information sources including own research
Identifying and prioritising key issues	Issues given	Issues included in simple 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	Unspecified techniques
Developing solutions	Highly specified tasks	Specified problems	Specified problems	Defined output but unspecified problems
Applying judgement				
Applying professional scepticism and critical thinking	Objective testing	Specified requirement in simple scenario	Specified requirement in complex scenario	Underlying requirement within complex scenario
Relating issues to the broader business environment, including ethical issues	Objective testing	Issues in simple scenarios	Issues in complex scenarios	Issues in complex, unstructured scenarios
Concluding, recommending and communicating				
Concluding and recommending	Not assessed	Specified conclusions and recommendations in simple scenarios	Specified conclusions and recommendations in complex scenarios	Conclusions and recommendations supported by own evidence
Communicating	Prescribed exam format	Exam requirements, including some professional presentation	Short written professional presentations	Professional report with appendices

PROFESSIONAL SKILLS ASSESSED IN THE ACA EXAMS

Assimilating and using information	<p>Understand the situation and the requirements 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</p> <p>Identify and use relevant information Interpret information provided in various formats Evaluate the relevance of information provided Use multiple information sources Filter information provided to identify critical facts</p> <p>Identify and prioritise key issues and stay on task Identify business and financial issues from a scenario Prioritise key issues Work effectively within time constraints Operate to a brief in a given scenario</p>
Structuring problems and solutions	<p>Structure data 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</p> <p>Develop solutions 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</p>

	<p>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</p>
<p>Applying judgement</p>	<p>Apply professional scepticism and critical thinking 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</p> <p>Relate issues to the environment 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</p>
<p>Concluding, recommending and communicating</p>	<p>Conclusions 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.</p> <p>Recommendations Present recommendations in accordance with instructions and defined criteria Make recommendations in situations where risks and uncertainty exist Formulate opinions, advice, recommendations, plans, solution, 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</p>

Communication

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

Professional Level

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: 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 module has traditionally been examined as a paper-based exam, however from the June 2017 session, this module will be assessed as a computer-based exam. A paper-based version of this module will no longer be available. The exam will continue to be 2.5 hours in length and will contain questions requiring the use of communication, judgement and evaluation skills.

The exam will consist of three 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 and will permit students 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/permittedtexts.

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

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:

Communication skills

- a. communicate in a format appropriate to the recipient who may be an external client of a bank, a fellow professional, or an internal colleague
- b. prepare suitable advice to explain issues relevant to banks, with supporting calculations where appropriate
- c. identify further information required to finalise preliminary recommendations
- d. give advice only where it is appropriate, technically correct, and within the relevant regulations and is in accordance with the ICAEW Code of Ethics.

Institutions, markets and products

- e. 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)
- f. 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)
- g. 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)
- h. demonstrate an understanding of financial market instruments including those relating to foreign exchange; money markets and trade finance
- i. 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
- j. recognise and explain the nature and functions of securities products and markets
- k. explain and evaluate key securities issues for banks including: valuations, reserves, levelling, confirmations, nostro and vostro accounts, and stock reconciliations
- l. explain and evaluate alternative financial assets and the markets in which they operate (eg property, commodities).

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. assess the nature of corporate governance in the banking sector and explain how good governance can set a framework to manage risks in the banking sector in a variety of scenarios and for a range of stakeholders; explain the role of the audit and risk committees
- b. explain the functions and purposes of the asset-liability committee (ALCO) as the primary risk management committee within a bank and perform analysis for risk identification and management
- c. identify and explain the key operational risks experienced by a bank in a given scenario, for example IT failure, cybercrime and fraud, and provide advice in the context of uncertainty

- d. explain the concept of risk appetite, and advise on how an appropriate level of risk taking might be determined by a bank, including the use of data analytics
- e. explain how a bank might manage credit risk and make reasoned recommendations, supported by analysis, in the context of a given scenario
- f. explain and demonstrate, using appropriate analysis, how financial instruments (eg, derivatives, hedging instruments) can be utilised to manage different types of financial risks by clients and in the context of proprietary trading by banks
- g. 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).

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, IAS 39, IFRS 7, IFRS 9
- 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 IAS 39 and IFRS 9, 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 allowances
- g. show and appraise the IFRS 9 treatment of the impairment of financial instruments, demonstrating an understanding of the relevant principles and evaluating how the implementation of IFRS 9 may impact capital markets firms in their treatment of the impairment of financial instruments
- h. 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)
- i. perform financial statement analysis to appraise the potential credit risk from a company seeking finance, to identify risks facing a financial institution or to evaluate a potential acquisition target
- j. demonstrate an understanding of disclosure and presentation in financial reporting for financial instruments in accordance with IAS 32 and IFRS 7
- k. demonstrate an understanding of the proposals of the Enhanced Disclosure Task Force and explain the fundamental principles for risk disclosures; risk governance and risk management strategies and the business model (relevant risks include: capital adequacy and risk-weighted assets; liquidity risk; funding risk; market risk; credit risk)
- l. describe the principal differences between IFRS and UK GAAP and prepare simple extracts from financial statements in accordance with UK GAAP
- m. demonstrate an understanding of the regulatory reporting requirements for banks including:
 - Regulatory framework (Basel Committee, Financial Stability Board, European Commission, European Banking Authority, Bank of England/FCA/PRA)
 - Introduction to regulatory capital, and capital management (Basel framework, CRD IV and CRR, capital ratio, risk-weighted assets, definition of capital, leverage ratio, liquidity coverage ratio)
 - Comparison to previous Basel regulation – lessons from the financial crisis

- Basel 3 Pillar 3 disclosures, and bank regulatory returns
- Conduct regulation and accounting for regulatory penalties
- Bank of England/ PRA structural reform regarding ring-fencing core UK financial services and activities

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 IAPN 1000/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
- explain and apply appropriate audit procedures with respect to loan loss provisioning; appraising the risk of impairment and providing assurance in respect of the financial reporting treatment
- 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 FCA's requirement for holding or controlling client assets as set out in The Client Assets Sourcebook (CASS) and explain:
 - common failings in CASS compliance
 - recent changes to CASS rules
 - the rules, guidance and approach to be followed when completing audit procedures (as laid down by the Financial Conduct Authority) with respect to client money, custody assets and mandates
 - the essential elements of the FRC's Standard on 'Providing Assurance on Client Assets to the Financial Conduct Authority'.
- identify, explain and apply appropriate assurance procedures with respect to a credit review
- explain and apply appropriate procedures with respect to auditing of benchmarks (eg LIBOR)
- demonstrate an understanding of the role of a Skilled Person with reference to a Section 166 report and the application of ICAEW guidance (TECH15/14FSF)
- 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. Where ethical dilemmas arise, students will be required to apply the fundamental principles and guidance in the IESBA and ICAEW codes 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 and legal issues
- recommend and justify appropriate actions where ethical dilemmas arise in a given scenario
- design and evaluate appropriate ethical safeguards
- recognise and advise when an issue should be notified to regulators
- recognise the ethical implications of providing audit and assurance services to a Public Interest Entity.

SKILLS ASSESSED

Assimilating and Using Information

Understand the situation and the requirements

- 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

Identify and use relevant information

- Interpret information provided in various formats
- Evaluate the relevance of information provided
- Filter information provided to identify critical facts

Identify and prioritise key issues and stay on task

- 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: candidates may be required to:

- Business Planning: Taxation
 - 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.
- Business Planning: Banking
 - recognise specific issues that may arise in the context of the situation described;
 - identify and evaluate inconsistencies in information provided from multiple sources; and
 - recognise and explain key ethical issues for an accountant undertaking work in banking.
- Business Planning Insurance
 - recognise specific issues that may arise in the context of the situation described;
 - identify and evaluate inconsistencies in information provided from multiple sources; and
 - recognise and explain key ethical issues for an accountant undertaking work in insurance.

Structuring problems and solutions

Structure data

- 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

Develop solutions

- 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: candidates may be required to:

- Business Planning: Taxation
 - 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 clarifying existing arrangements with a client;
 - consider the impact of delaying or modifying future decisions; and
 - identify and explain ethical and legal issues.
- Business Planning: Banking
 - 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 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 further information needed;
 - provide descriptive analysis and explanations; and
 - identify and explain ethical and legal issues.
- Business Planning: Insurance
 - 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 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 further information needed;
 - provide descriptive analysis and explanations; and
 - identify and explain ethical and legal issues.

Applying judgement

Apply professional scepticism and critical thinking

- 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

Relate issues to the environment

- 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: candidates may be required to:

- Business Planning: Taxation
 - 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.
- Business Planning: Banking
 - 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.
- Business Planning: Insurance
 - 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

- 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.

Recommendations

- 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

Communication

- 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: candidates may be required to:

- Business Planning: Taxation
 - 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; and
 - present a justification of a specific recommended action when a variety of options are available.
- Business Planning: Banking
 - formulate and recommend a reasoned conclusion from data, facts, calculations, judgements and own analysis;
 - advise on the ethical considerations; and
 - draw conclusions from data, facts, calculations, judgements and own analysis;
 - explain the limitations of conclusions or recommendations;
 - identify 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; and
 - present a justification of a specific recommended action when a variety of options are available.
- Business Planning: Insurance
 - 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; and
 - explain the limitations of conclusions or recommendations;
 - identify 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; and
 - present a justification of a specific recommended action when a variety of options are available.

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

Ethics codes and standards

Ethics Codes and Standards	Level	Modules
IESBA Code of Ethics for Professional Accountants (parts A, B and C and Definitions)	C/D	Certificate Level Accounting Assurance Business, Technology and Finance Law Management Information Principles of Taxation
	B	
	C/D	
	D	
	C	
	C	
	A	
	B	
	B	
	B/C	
ICAEW Code of Ethics	B	Professional Level Audit and Assurance Business Strategy and Technology Financial Accounting and Reporting Financial Management Tax Compliance Business Planning
	B	
	B	
	B	
	B	
	B	
	B	
	B	
	B	
	B	
FRC Revised Ethical Standard (2016)	A	Advanced Level Corporate Reporting Strategic Business Management Case Study
	A	
	A	
	A	
	A	
	A	
	A	
	A	
	A	
	A	

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 key operational risks experienced by a bank	A
The concept of risk appetite	A
How a bank might manage credit risk	A
How financial instruments can be utilised to manage different types of financial risks by clients and in the context of proprietary trading by banks	A

Financial and regulatory reporting

Statement of Profit or Loss and Statement of Financial Position	A
Financial assets and liabilities – IAS 32, IAS 39, IFRS 7, IFRS 9, FRS 102	A
Financial reporting treatment of derivatives	A
Hedge accounting	A
The financial reporting treatment of loan loss provisioning for banks	A
Impairments in accordance with IFRS 9 vs IAS 39	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
The proposals of the Enhanced Disclosure Task Force and the fundamental principles for risk disclosures	C
Principal differences between IFRS and UK GAAP	A
Regulatory framework	A
Regulatory capital and capital management	B
Comparison to previous Basel regulation	B
Basel 3 Pillar 1 and 2 calculations of minimum capital requirements	B

Topic	Business Planning: Banking
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 in the United Kingdom</i>	A
IAPN 1000/Practice Note 23 <i>Special considerations in auditing financial instruments</i>	A
Loan loss provisioning audit procedures	A
The duty and right to disclose information to FCA, PRA and BoE	B
The FCA's requirement for holding or controlling client assets as set out in The Client Assets Sourcebook (CASS)	A
Assurance procedures with respect to a credit review	A
Appropriate procedures with respect to auditing of benchmarks (eg LIBOR)	C
Section 166 reports (and the role of a skilled person)	B
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