

European Market for Financial Services			
Topic	No.	Learning Objective	Taxonomy
1 The origins and growth of the European Union	1.1 Historical background of the European community	1 Identify the key factors which led to the creation of the European Community	1
		2 List the founder states of the European Coal and Steel Community (ECSC i.e. Montanunion) in 1951	1
		3 Identify the significance of the first economic integration which was brought about by the EEC in 1957	1
		4 State the reasons for the establishment of the European Atomic Community (EURATOM Rome 1957)	1
	1.2 The political development of the EEC	1 List the facts regarding the economic boom which was brought about by the EEC	1
		2 List the political reasons for European cooperation after the 2nd World War	1
		3 Describe the influence of the parliamentarians on the first communities	1
		4 Describe the effects of the political reform on the three communities	1
		5 List the reasons why other countries were invited to become members of the EEC	1
	1.3 Creation of the single market of the European Community	1 Describe the development from the common market into the single market of the community	1
		2 List the most important reasons for the production of the EC White Paper	1

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1.4 The Treaties of the European Community	3	List the 4 basic freedoms for the single market	1	
	4	Describe the importance of the Single European Act	1	
	5	List all states which have signed the treaties and become members of the community up to the present time.	1	
	1	List the founding treaties of the community <ul style="list-style-type: none"> ○ Montanunion ○ Treaties of Rome ○ The Single European Act ○ The Maastricht Treaty ○ The Treaty of Amsterdam ○ Treaty of Nice 	1	
	1.5 Objectives of the European Community	1	List the most important objectives of the EU <ul style="list-style-type: none"> ○ The 3 pillars of the EU 	1
		2	Outline of the most important objectives set for the Treaty of Nice	1
		3	Describe the post-Nice process <ul style="list-style-type: none"> ○ The eastwards and southwards expansion of the EU ○ Decision-making reform in the EU ○ Inclusion of the Member States in the decision process ○ Inclusion of the Community in the EU constitution ○ Deadlines for the post-Nice process 	1

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2 The executive bodies of the European Union			
2.1 The 5 executive bodies of the EU	1	List and define all executive bodies of the EU which abide by the treaties of the community in accordance with Art. 7 ECT (European Community Treaties)	1
2.2 Financial Institutions of the EU	1	List the most important financial institutions of the EU	1
2.2.1 The European Central Bank	2	Describe the objectives and tasks of the European Central Bank with reference to Art.105 ff ECT	1
	3	Describe the workings of the European System of Central Banks (ESCB)	1

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3 Financial services legislation of the European Union	1	Describe the financial services market and its essential characteristics (freedom of services and establishment)	1
	2	Describe how financial services legislation is developed in the EU <ul style="list-style-type: none"> ○ How proposals for new laws are introduced and sponsored. ○ Respective roles of European Parliament and Commission. ○ The use and function of EU committees 	1
	3	Describe how new laws are adopted within member states <ul style="list-style-type: none"> ○ Legislative obligations of member states under the EU ○ Status of EU directives before adoption by member states ○ Timescales for adoption of EU directives ○ Role of national legislative bodies when adopting EU directives ○ Flexibility of interpretation allowed to member states when adopting EU directives 	1
	4	List the main EU directives and their impact on the financial services market <ul style="list-style-type: none"> ○ Prevention of the use of the financial system for the purpose of money laundering (91/308/EEC), 1991 ○ Proposal for a Regulation on the prevention of money laundering by means of customs co-operation (2002/0132 (COD)) ○ Directive on Deposit Guarantee Schemes (94/19/EC), 1994 ○ Directive on investor-compensation Schemes (97/9/EC), 1997 ○ Investment Services Directive (93/22/EC (ISD)), 1993 ○ Directive relating to the taking up and pursuit of the business of credit institutions (2000/12/EC), 2000 ○ Directive on financial collateral arrangements (2002/47/EC), 2002 	1

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		<ul style="list-style-type: none"> ○ Proposal for a Directive on the supplementary supervision of credit institutions, insurance undertakings and investment firm in a financial conglomerate and amending Council Directives 73/239 EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and Directives 98/78/EC and 2000/12/EC of the European Parliament and the Council (2001/0095 (COD)) ○ Proposal for a Directive on insurance mediation (2000/0213 (COD)) ○ Proposal for a Directive of the European Parliament and of the Council on investment services and regulated markets, and amending Council Directives Directives 85/611/EEC, Council Directive 93/6/EEC and European Parliament and Council Directive 2000/12/EC, (2003/C 71 E/07) 	1
	3	Describe the application of EU regulation to financial advisers and planners	1

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4 Conflict of laws	1	Identify problems of integration of EU regulation into national law	1
	2	Describe basic issues in conflict of laws: domicile nationality and residence; jurisdiction where rights are generally enforceable, or enforceable against specified persons.	1
	3	Describe the law applicable to obligations: <ul style="list-style-type: none"> ○ contract: formation, validity, interpretation and discharge of responsibilities, damages ○ tort: concept, determination of which law to be applied, and damages 	1

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5 The European financial services markets: an exemplary overview and comparison between the home country and 2 others 5.1 Legal framework 5.2 Taxes	1	Describe how the financial services advisory market operates	1
	2	Describe the main ways in which investor protection is achieved	1
	3	Describe the main requirements for authorisation of firms and approval of individual financial advisers, including any restrictions on products and activities	1
	4	Describe the competence requirements of financial advisers	1
	5	Identify the standards of ethical behaviour expected of financial advisers	1
	6	Explain how the main legal requirements would apply by reference to a case study	2
	1	Identify the tax structure and main taxes that are relevant when giving financial advice	1
	2	Illustrate how the main taxes operate, including the circumstances when they are chargeable, when tax is payable, and the tax rates that apply	2
	3	Show the potential impact of taxation by reference to a case study (No calculations are required)	2

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5.3 Social security systems and collective agreements	4	Examine where opportunities might arise for minimising taxation by reference to a case study (No calculations are required)	2
	1	Describe the purpose and main characteristics of the social security system	1
	2	Identify the main social security benefits, and how individuals become entitled to them	1
	3	Describe the main types of provision for employees by companies (including those provided under collective agreements)	1
	4	Demonstrate how the main employer and social security benefits affect financial advice	2
5.4 Private provision	5	Show how the main employer and social security benefits should be taken into account when financial advice is given, by reference to a case study (No calculations are required)	2
	1	Identify the main types of financial services products for private provision	1
	2	Show the main characteristics of each type of product and the needs they are designed to meet	2
	3	Show how the main types of product can be used to meet needs not provided for under the social security system, or to complement existing social security benefits	2

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5.5 Cross-border activities from the home state of the adviser and the situation of expatriates	1	Describe the main ways in which cross border activities are undertaken from the advisers home state to the selected comparator countries	1
	2	Identify the legal requirements that must be met <ul style="list-style-type: none"> ○ Laws and regulations for insurance, banking and investment businesses ○ Laws and regulations for intermediaries 	1
	3	Describe the status and application of home and host state regulations	1
	4	Describe the potential problems of cross border activities, from the viewpoint of both the adviser and the client (including the problem of criminal activities)	1
	5	Describe the rights, duties and typical needs of expatriates <ul style="list-style-type: none"> ○ Permanent residence in the host country ○ Temporary residence in the host country 	1
	6	Show, by reference to a case study, where potential problems might arise, and indicate the points at which the support of a specialist would be necessary	2

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6 Future European developments in relation to financial services	1	Identify key directives currently passing through the EU legislative process, relevant to financial services markets	1
	2	Illustrate the purpose of each of these directives, and provide an overview of their anticipated impact on financial services in the home state	2