



**Syllabus**

# **STEP Professional Postgraduate Diploma in Private Wealth Advice**



[www.step.org/diploma](http://www.step.org/diploma)

## Introduction

This document contains the detailed syllabus for the STEP Professional Postgraduate Diploma in Private Wealth Advice (PPgD).

For more information about the course and how to apply, please visit the programme website: [www.cltint.com/courses/step-professional-postgraduate-diploma-in-private-wealth-advising](http://www.cltint.com/courses/step-professional-postgraduate-diploma-in-private-wealth-advising)



# Private Wealth Advice

**The STEP Professional Postgraduate Diploma in Private Wealth Advice (PPgD) is a level 7 certificated qualification designed specifically for experienced practitioners in the wealth management field looking to develop their understanding of critical thinking, risk assessment and business strategy and wanting to take the next step in their professional career.**

## The Masterclass Specialisms

### Masterclass 1

#### STRATEGIC RISK MANAGEMENT FOR LEADERS

##### Unit 1 covers:

- The interrelationship between risks
- Implementing an integrated risk strategy at corporate level
- Strategic capabilities for managing risks
- A comparative study of enterprise-wide risk management with risk management (ERM) and compliance (GRC) solutions
- Factors involved in decision making
- The impact of short and long-term risk horizons in everyday activities within firms

##### Unit 2 covers:

- The role of risk management
- Strategies for shaping and aligning the consequential risks faced by organisations from the perspective of clients, business participants (i.e. shareholders) and regulators
- The centrality of strategic risk management in stabilising firms and their resilience to risk
- Risk governance
- An analysis of risk appetite and tolerance to provide a framework for taking risks at all levels of firms
- The reporting of risks in qualitative and quantitative terms

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## Unit 3 covers:

- The indicators and policies of macro prudential risks and their regulation
- The micro prudential regulation of individual firms where the firm considers taking excessive financial risks
- Key drivers of risk
- The interrelationship between internal and external drivers that impact upon financial services firms

## By the end of this Masterclass you should be able to:

- Formulate a strategic GRC framework for your firm, division, department or practice area.
- Evaluate risk and examine the scope of de-risking within the wealth adviser sector at macro and micro levels.
- Provide a detailed analysis of the strategic risks within your firm.
- Explicate your firm's appetite for risk.
- Appraise and classify the conduct risks that confront your firm.

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## Masterclass 2

### FAMILY BUSINESS ADVISING

#### Unit 1 covers:

- The definition of family business
- The 'Three-Circle Model' used to identify the range of self-interests inherent in a family business system
- The normality of conflicts of interests for the resources of a family business
- Taking a holistic view of the complexity of family businesses
- Natural governance and answering the question, 'How are things done at this family business?'
- Identifying the key decision makers and the effects of their decisions on other family members

#### Unit 2 covers:

- The adaptability of family businesses at times of change
- The application of the 'Three-Circle Model' to predict the future dynamic of the family business
- Options open to the entrepreneur other than succession by existing members of the family business
- A comparison of conventional corporate governance with that of family businesses

#### Unit 3 covers:

- Managing the anxiety of family members in managing their business through the generations
- Survival of real and perceived threats by the family business and its members
- Emotional intelligence from the adviser's perspective
- Likely coping mechanisms that family businesses may adopt to cope with anxiety
- The cautionary use of adversarial conflict resolution procedures

# Private Wealth Advice

## Masterclass 2

### FAMILY BUSINESS ADVISING continued

**By the end of this Masterclass you should be able to:**

- Appraise and evaluate the potential impact of the internal tension unique to family businesses of family members working together for its collective advancement.
- Apply the 'Three-Circle Model' to categorise the self-interests of family members and explore how the model may be used to demonstrate future succession.
- Evaluate the characteristics of family businesses that have successfully survived multiple generations and apply the findings to first and/or second generation family businesses.
- Exemplify the roles and characteristics that key advisers foster to assist in the coping mechanisms family businesses adopt to cope with instability from internal conflicts and the impairment of the business.

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## Masterclass 3

### TRUST DISPUTES

#### Unit 1 covers:

- Sham trusts from *Snook v London and West Riding Investment Limited* (1967) to the revelations in the Panama Papers
- Sham trusts and the conflict of laws
- The avoidance of a finding of a sham

#### Unit 2 covers:

- Ultra vires investments
- Prudent investments
- Reducing investment risk

#### Unit 3 covers:

- Disclosure and the duty to inform beneficiaries
- The proprietary rights of beneficiaries (with fixed interests), remaindermen and default beneficiaries of discretionary trusts
- An analysis of *Schmidt v Rosewood Trust Limited* (2003)
- Disclosure of:
  - Trust accounts
  - Underlying company accounts
  - Letters of wishes
- Factors informing the trustees in not disclosing information
- Disclosure to/from protectors and settlors

#### Unit 4 covers:

- The removal of trustees and protectors
- Express powers of replacement and appointment of trustees
- Removal of trustees on the application of beneficiaries
- A trustee's right to indemnity out of the trust property
- The incoming trustee's entitlement to trust information and documentation



## Masterclass 3

### TRUST DISPUTES continued

#### Unit 5 covers:

- Trusts and divorce
- How courts obtain information about trusts
- Participation of offshore trustees in English proceedings
- Judicial decisions of the family court in divorce proceedings
- Variation of ante-nuptial and post-nuptial settlements
- Pre-nuptial agreements
- Variation of foreign trusts
- Setting aside dispositions
- Recognition and enforcement of orders

#### By the end of this Masterclass you should be able to:

- Appraise a trust through analysis of ex-post facto evidence of how the trust has been, and is, being administered to determine a sham.
- Structure solutions to mitigate trustees' investment risks.
- Demonstrate a thorough understanding of the trustees' duties of disclosure in court proceedings and when beneficiaries invoke their rights to disclose in monitoring trustees critiquing House of Lords decision in *O'Rourke v Darbishire* and the Privy Council's decision in *Schmidt v Rosewood*.
- Account to trustees faced with beneficiaries seeking their removal
- the circumstances a court may order their removal, their rights or indemnity and explain the information and documentation out-going trustees need to provide to their successors.
- Research and assess the ways in which assets of a trust can be 'accessed' in ancillary relief proceedings following divorce, including judicious encouragement that is applied on trustees when trust assets are considered a resource and the quasi-inquisitorial powers of the courts to establish parties' financial affairs.



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## Masterclass 4

### STRATEGIC PHILANTHROPY

#### Unit 1 covers:

- Answering the question, 'What is philanthropy?'
- Raising the subject of philanthropy with clients
- Global trends in philanthropy

#### Unit 2 covers:

- Strategic philanthropy
- Developing a focus for philanthropy

#### Unit 3 covers:

- Appropriate vehicles for philanthropy
- Approaches to grant making
- Family philanthropy

#### By the end of this Masterclass you should be able to:

- Demonstrate mastery of the knowledge and skills required as a philanthropy adviser.
- Critically evaluate the importance of good governance and effective practice.
- Critically review the tax reliefs available to a client making charitable gifts and illustrate the most tax efficient ways of achieving a client's philanthropic goals.
- Provide a detailed analysis of current trends in philanthropic giving.

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## Masterclass 5

### CROSS-BORDER SUCCESSION

#### Unit 1 covers:

- The preliminary issues relating to cross-border estates and an exploration of the factors to be consider when dealing with cross-border estate succession
- The difficulties in resolving conflicts between different private international law (PIL) systems

#### Unit 3 covers:

- The formal, substantive and material validity of wills
- EU Regulation 650/2015
- The European Certificate of Succession (ECS)
- The practical implications of the Regulation
- Other relevant multilateral conventions

#### Unit 2 covers:

- The key differences between systems of succession law in a variety of legal systems
- A comparison of the principles of some typical common law, civil law and Sharia law systems of succession
- The principles of private international law rules in matters of succession and the administration of estates

#### Unit 4 covers:

- How advisers can find their way through the maze of cross-border succession planning
- Succession planning techniques and practical points

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## Masterclass 5

### CROSS-BORDER SUCCESSION continued

**By the end of this Masterclass you should be able to:**

- Differentiate between the succession laws of a common law system with that of a civil law system and that of a system based on religious laws.
- Identify and apply the basic principles of private international law rules in matters of succession and the administration of estates.
- Critically review the succession issues arising on the death of an individual with a multi-jurisdictional estate.
- Formulate and advise on succession planning techniques.

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## Masterclass 6

### INTERNATIONAL TAXATION AND INFORMATION EXCHANGE

#### Unit 1 covers:

- The reasons for information exchange
- Types of information exchange
- Interpretation of internationally agreed provisions

#### Unit 2 covers:

- An introduction to CRS
- The scope of CRS
- Categorisation of entities
- Reporting requirements

#### Unit 3 covers:

- An introduction to FATCA
- The scope of FATCA
- Categorisation of entities: key differences with CRS
- Reporting requirements: key differences with CRS

#### Unit 4 covers:

- An introduction to tax information exchange agreements (TIEAs)
- The scope of the OECD model TIEA
- Making requests
- Responding to requests
- Refusing to respond to a request

#### Unit 5 covers:

- How individuals may be subject to taxation
- How the residence of a company for taxation purposes can be determined
- The taxation of trusts and the importance of location of management and control

## Masterclass 6

### INTERNATIONAL TAXATION AND INFORMATION EXCHANGE continued

#### **By the end of this Masterclass you should be able to:**

Reflect upon the strategic significance of information exchange, including different types of information exchange, and interpret internationally agreed provisions.

Provide a detailed analysis of CRS, including the scope of its application, the categorisation of entities and reporting obligations.

Provide a detailed analysis of FATCA, explaining the scope of its application and critically evaluating the key differences with the categorisation of entities and reporting obligations of CRS.

Critically review the scope and effectiveness of the OECD model TIEA and summarise how to make, respond and refuse to respond to a request.

Assess how individuals may be subject to taxation and analyse how the residence of a company for taxation purposes can be determined

Summarise the taxation of trusts and explain the importance of the location of the management and control of the trust.

# Private Wealth Advice

## Masterclass 7

### DIGITAL ASSETS

#### Unit 1 covers:

- Definitions of digital assets
- The concept of property
- Pure information
- Statutory application to digital information
- Cryptoassets as property

#### Unit 2 covers:

- The administrative duties of fiduciaries – the personal representative, the trustee and the attorney - in relation to digital assets
- Discovery of digital assets
- Security of digital assets
- Cloud computing, the contracts involved and accessing the device of the deceased
- Administration of cryptoassets and transactions

#### Unit 3 covers:

- Estate planning where digital assets are involved
- Establishing whether the estate includes any digital assets
- Writing an inventory
- Planning for death
- Drafting examples
- Planning for incapacity
- An overview of the taxation of digital assets

# Private Wealth Advice

## Masterclass 7

### DIGITAL ASSETS continued

#### **By the end of this module you should be able to:**

- Explore competing definitions of digital assets, evaluating what is most compatible with English law, distinguishing between proprietary and non-proprietary rights associated with transmitted information.
- Examine a variety of different national legislation in relation to English law, evaluating the potential impact that they have in determining proprietary rights where claims for such assets engage with a number of jurisdictions.
- Express how to administer the fiduciary duties and obligations associated with digital assets highlighting issues or risks associated with their administration.
- Evaluate procedural and contractual issues that may arise, which relates to the security of digital assets including information held on cloud-based systems.
- Discuss how to include digital assets in estate planning for eventualities such as incapacity or death.
- Design mechanisms for discovery of digital assets, including cryptoassets, that facilitate accurate recording of access, security and storage of relevant information.



## Masterclass 8

### COMPLIANCE FOR TRUSTEES

#### Unit 1 covers:

- Effective compliance function applying a compliance framework
- Trustees assessment of risk
- De-risking strategies
- Scope of trustee compliance
  - Aligning powers with duties
  - Determining mandatory or discretionary powers
  - Reserved powers trusts
  - Safeguarding and investing trust assets
  - Avoiding conflicts of interest
  - Mitigating financial crime risks
  - Regulation of trustees, codes of conduct and practice

#### Unit 2 covers:

- The strategic discipline of compliance
- Policies and procedures to combat financial crime
  - International measures for combating money laundering and terrorist financing
- Policy statements
- Managing and mitigating risks
- Establishing due diligence measures
- Compliance monitoring and management
- The responsibilities of the compliance officer
- The roles of the money laundering reporting officer
- EU Money Laundering Directives and DAC 6 EU Directive
- Compliance standards and best practice

## Masterclass 8

### COMPLIANCE FOR TRUSTEES continued

#### Unit 3 covers:

- Reporting suspicious transactions
- Reining in tax evasion
- US Qualified Intermediary Rules, FATCA and AEOI reporting
- The disclosure of beneficial ownership for trusts
- EU economic substance requirements
- Mandatory Disclosure Reporting
- Bribery and corruption
- Data protection and trusts

#### By the end of this Masterclass you should be able to:

- Construct a risk matrix for trustees that categorises risk level, the control of risks and action points to monitor and identify risk, on a defined periodic basis.
- Recommend, at leadership levels of knowledge, measures to combat money laundering and terrorist financing and how they pervade the wealth advising sector when advising trustees.
- Discuss the specifics of trustees' obligations for disclosure and reporting of criminal activities and suspicious transactions.
- Provide a detailed analysis of the reporting obligations under FATCA, CRS, AEOI and EU initiatives.

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## Assessment and outcomes

### The assessment for this course consists of:

Eight 1,000 – 1,500 word masterclass commentaries that form a reflective journal: these are summaries of the key learning points outlined in the masterclasses and their impact on your own practice.

A three-hour oral assessment based on your chosen area of specialism.

The masterclasses are delivered by specialists in their chosen fields, who will consider complex themes and their application in practice. Through a mixture of pre-reading of the course manuals and independent research students will be prepared to demonstrate a high-level knowledge of the subject matter being considered in each of the eight masterclasses in a systematic manner.

Given the international focus of the course content, students are likely to be challenged with novel concepts. Students will be able to demonstrate within their masterclass commentaries the application of such concepts as they apply in their own jurisdiction or practice critically evaluating the techniques and models propounded by the speakers.

### A candidate who passes the oral assessment will have shown:

- originality in the application of the constructs of the eight specialisms
- advanced levels of research and reflective personal analysis
- the transfer of consolidated knowledge in an advisory manner to clients or to colleagues where delivery of advising on wealth is through teams of advisers
- discernible benefits to their practice either through mitigation of professional/practice risk or the identification of previously unconsidered business opportunities
- mastery of their practice area
- methodological approaches to decision making and their advancement in leadership
- a deep and systematic understanding of the many facets of wealth advising and their influence on wealth creation, investment and preservation.

# Contact us

**For full details of the programme visit:**

[www.cltint.com/courses/step-professional-postgraduate-diploma-in-private-wealth-advising](http://www.cltint.com/courses/step-professional-postgraduate-diploma-in-private-wealth-advising)

**If you have any queries please contact us:**

Email: [cltinternational@centlaw.com](mailto:cltinternational@centlaw.com)

Phone: +44 (0) 121 362 7733

CLT International Ltd, Wilmington plc

Fort Dunlop | 6th Floor | Fort Parkway

Birmingham | B24 9FD | United Kingdom



[www.step.org/diploma](http://www.step.org/diploma)