

## Resolution Specialist Accreditation

### Cash Flow Modelling Portfolio - Financial Advisers

This unit focusses on the specialist knowledge, understanding and application in practice required to provide cashflow modelling and budgeting advice for clients who are separating or divorcing.

| Competency Code | <b>Knowledge and Understanding</b><br><b>Candidates must know and understand:</b>  |
|-----------------|--|
| <b>FACB1</b>    | The Resolution Code of Practice and other relevant protocols (e.g. The Law Society Family Law Protocol, CII Protocol).   |
| <b>FACB2</b>    | The role and moral and ethical obligations of a financial neutral/single joint expert in any process of separation, divorce, or dissolution with particular regard to the requirements of the FCA. |
| <b>FACB3</b>    | Taxation (relevant legislation and regulation) and tax planning and effective tax mitigation in relation to separation/divorce.  |
| <b>FACB4</b>    | Expenditure, expenditure budgets and proper investigation of all sources of income and expenditure relevant to dispute resolution processes.   |
| <b>FACB5</b>    | Models of cash flow modelling and cash flow forecasts (including use of relevant IT/software).   |
| <b>FACB6</b>    | Options and settlement scenarios.  |
| <b>FACB7</b>    | Cashflow modelling in relation to all family dispute resolution processes and in relation to any court process or procedure.   |
| <b>FACB8</b>    | Attitude to investment risk and the impact on cash flow outcomes.  |
| <b>FACB9</b>    | Understanding the relevant uses of Duxbury and other formulaic calculations in all processes; identifying the pros and cons of such tables.  |
| <b>FACB10</b>   | Drawing a clear distinction between regulated and non-regulated activity, in all processes, as it might relate to cash flow modelling.   |

| Competency Code | <b>Performance</b><br><b>Candidates must be able to:</b>  |
|-----------------|---|
| <b>FACB11</b>   | Must demonstrate appropriate application of the Resolution Code of Practice and any/all other relevant practice protocols in all cases  |
| <b>FACB12</b>   | Explain and comply with any moral or ethical obligations in your role as a financial neutral/single/joint expert in any case involving any process of separation/divorce/dissolution.   |
| <b>FACB13</b>   | Explain to the client the benefits (or not) of cash flow modelling and budgeting in relation to their circumstances and needs including what would be required by legal advisers and other family dispute resolution professionals. |
| <b>FACB14</b>   | Identify and explain to client all family dispute resolution processes, court   |

|               |   |
|---------------|---|
|               | process, and procedures with particular focus on client's known needs and circumstances.  |
| <b>FACB15</b> | Carry out an appropriate analysis and reconciling of client expenditure through study of bank and credit card statements and any other sources or causes of expenditure |
| <b>FACB16</b> | Explain and ensure that any assumptions reached have been defined and justified for the client, including having analysed attitude to investment risk.                  |
| <b>FACB17</b> | Identify and explain any relevant taxation/tax planning or mitigation considerations.   |
| <b>FACB18</b> | Identify and model capital requirements related to the client's budgetary needs.  |
| <b>FACB19</b> | Identify and model any and all options and settlement scenarios, including those related to potential future events.  |
| <b>FACB20</b> | Provide assistance to clients to consider their future needs and requirements and the effect of their decisions on e.g. any children of the family.                     |
| <b>FACB21</b> | Demonstrate a clear understanding of the role that Duxbury and other such calculation tables can play in modelling settlement scenarios.                                |
| <b>FACB22</b> | Explain clearly your role, both to other professionals and clients, in terms of the regulated or non-regulated status of your work.                                     |

### Guidance Notes to Unit

We anticipate that most people wishing to undertake this portfolio will be using some sort of proprietary cash flow modelling software. However, this module is in no way limited to users of these software packages.

**FACB19:** Future events may include, for example, property downsizing or stock market 'catastrophe' modelling.