



Handbook

FTC3 – VTCT (Skillsfirst) Level 3 Certificate in
Introduction to Financial Trading (RQF)

603/2042/4

Version 2

About Skillsfirst

VTCT is a market-leading Awarding, Assessment and End-point Assessment (EPA) Organisation offering vocational and technical qualifications in a range of 'services to people' sectors.

The VTCT group of companies are comprised of three innovative awarding brands: VTCT, ITEC and Skillsfirst. Together they have over 2,500 approved centres in over 40 countries across the world.

The qualifications suite offered by VTCT (Skillsfirst) spans a range of sectors including Childcare, Business Services, Health & Social Care, Recruitment and Social Media.

For more information visit us at www.vtct.org.uk and www.skillsfirst.co.uk, contact our dedicated Customer Support Team via email at customersupport@vtct.org.uk and customerservices@skillsfirst.co.uk or call 0121 270 5100

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1 Qualification at a glance

Qualification title	VTCT (Skillsfirst) Level 3 Certificate in Introduction to Financial Trading (RQF)
Qualification number	603/2042/4
Product code	FTC3
Age range	There are age limits attached to learners undertaking this qualification as this qualification is not approved for learners under the age of 16.
Total Qualification Time (TQT)	169
Guided Learning (GL) hours	45
Assessment	To be awarded this qualification, learners must successfully achieve the following assessments: <ul style="list-style-type: none">• Portfolio of evidence• Skills-based assessment (if applicable)
Entry requirements	Although there are no formal entry requirements, learners would find it helpful to have some understanding of the financial markets and have a reasonable level of maths ability.
Support materials	Support materials can be found on the website (if applicable)

2 Qualification information

2.1 Qualification aim and design

This qualification has been designed to meet both employer and individual demand for learners who have been developed to take on the role of a Financial Trader. To achieve this qualification, the learner will need to demonstrate the skills and knowledge required to analyse financial markets and apply trading techniques to financial products in a global market. These skills and knowledge will also enable the learner to identify areas for possible business development and sources of further financial support, as well as using CPD to develop their own competence.

The primary target group for this qualification would be those wishing to work as a financial trading professional by enabling a linked progression onto the Level 5 Diploma in Financial Trading (RQF). Learners could also use the qualification to enhance their CPD to develop their skills and knowledge to operate as a flow trader, proprietary trader, sales trader or other related roles.

2.2 Progression opportunities

On completion of the Level 3 Certificate in Introduction to Financial Trading (RQF), learners may progress into employment or onto the following Skillsfirst qualifications:

- Level 3 Diploma in Management
- Level 5 Diploma in Financial Trading

or similar higher-level qualifications.

3 Qualification structure

To be awarded the VTCT (Skillsfirst) Level 3 Certificate in Introduction to Financial Trading (RQF) learners must achieve all mandatory units.

The minimum TQT required to achieve this qualification is **169**.

Product code	Unit title	Level	GLH	Unit reference number
Mandatory units (Group M):				
FT5	Principles of Financial Trading	3	18	K/615/8099
FT6	Principles of Financial Planning and Cash Flow in Financial Trading	3	15	H/615/8098
FT7	Understanding Financial Trading Techniques	3	12	D/615/8097

4 Centre requirements

4.1 Resources

Centres must possess the physical resources needed to support the delivery of the programme and the assessment of knowledge and skills, which should therefore be of industry standard. Where specific resources are required these have been indicated in individual units.

4.2 Financial Skills Partnership (part of Skills for Justice)

The Level 3 Certificate in Introduction to Financial Trading (RQF) is based on the units endorsed by the Financial Skills Partnership who are the skills council for the Financial sector. Their contact details are:

1st Floor, Unit C
Meadowcourt Business Park
4 Hayland Street
Sheffield
S9 1BY
Phone 0114 284 1930

E: info@sfjuk.com

This handbook provides details of the assessment strategy, which centres will need to apply in order to assess and quality assure the Level 3 Certificate in Introduction to Financial Trading (RQF) and includes the:

- occupational expertise of those who assess performance, and moderate and verify assessments
- continuous professional development
- summary of assessment methods

4.3 Occupational expertise of deliverers, assessors, and moderators/internal verifiers

Staff delivering this qualification must be able to demonstrate that they meet the following occupational expertise requirements. They should:

- be occupationally competent to make assessment judgements about the broad use of financial trading techniques either in the workplace or in Realistic Working Environments (RWE); and occupationally competent to make assessment judgements about the quality of assessment and the assessment process
- be occupationally knowledgeable in the area(s) for which they are delivering training. This knowledge must be at least to the same level as the training delivered
- have credible experience of providing training

Assessors and internal verifiers must hold the relevant and equivalent qualifications (such as D32, D33, A1, A2 or Level 3 TAQA for assessors and D34, V1 or Level 4 TAQA for internal verifiers), or be working towards an appropriate TAQA or equivalent qualification. Centre staff should have verifiable relevant experience and current knowledge of the occupational working area at, or above, the level they are assessing or verifying. This experience and knowledge must be of sufficient depth to be effective and reliable when judging learner competence or verifying assessment processes and decisions. This could be verified by:

- curriculum vitae and references
- possession of a relevant qualification
- records of continuous professional development
- corporate membership of a relevant professional institution

Centre staff may undertake more than one role, e.g. tutor and assessor or internal verifier, but must never internally verify their own assessments.

4.4 Employer direct model

Where employers opt for an 'employer direct' model, the qualification requirements for assessors and internal verifiers may be waived.

The employer direct' model is where colleagues, supervisors and/or managers in the workplace are involved in the assessment process. Under this model, the employer, with the agreement of Skillsfirst may choose between:

- achieving the appropriate approved qualifications for assessment/verification

or

- demonstrating that their (the employer's) training and development activity undertaken to prepare, validate and review these assessment roles, maps 100% to the National Occupational Standards which these qualifications are based on. The mapping process must be agreed by Skillsfirst as providing the equivalent level of rigour and robustness as achievement of the approved assessment/verification qualification

Each application to use the employer direct model will be considered on an individual organisation and qualification basis and agreed by the qualification regulators, including the sector skills council. Prospective organisations must be able to confirm that their in-house practices conform to the requirements of the standards in association with Skillsfirst.

4.5 Continuous professional development (CPD)

Centres are responsible for ensuring that assessors and IVs plan and maintain their CPD.

Centres are expected to support their assessors and IVs in ensuring that their knowledge remains current of the occupational area and of best practice in delivery, mentoring, training, assessment and verification, and that it takes account of any national or legislative developments.

Centres may have generic criteria and personnel specifications in addition to the above.

4.6 Total Qualification Time (TQT)

Each qualification has a Total Qualification Time (TQT) value based on the total number of hours learning required to achieve it. The TQT value reflects the number of supervised learning hours required to achieve the knowledge and assessment requirements, plus the length of time a learner would need to take to achieve the skills and capabilities to be deemed competent. All RQF qualifications are subject to an evaluation process to determine their fitness-for-purpose.

5 Assessment

5.1 Summary of assessment methods

For this qualification, learners will be required to provide evidence of their skills, knowledge and understanding of financial trading for each unit.

5.2 Assessment principles

Units will be achieved through the acquisition of evidence by the learner and submission to their assessor. Units may be assessed through a number of different sources and forms, which must meet the requirements of assessment criteria.

- Assessment should normally be at the learner's workplace, but where the opportunity to assess across the range of standards is unavailable other comparable working environments may be used, following agreement from the External Verifier
- A holistic approach towards the collection of evidence should be encouraged, assessing activities generated by the whole work experience rather than focusing on specific tasks. e.g. If the learner communicates with a customer whilst engaged in sales activities these can be assessed against both sales and customer service elements
- Assessors can only assess in their acknowledged area of occupational competence.
- Assessors and IVs will be registered with their centre and be accountable to the organisation for their assessment practice
- Health and safety of customers/clients and employees must be maintained throughout the assessment process and if any person carrying out assessment or verification activities does not feel that there is due regard to health and safety then that person should refuse to continue with the activity(ies) until satisfied that due regard to health and safety is being taken

5.3 Characteristics of assessment

There are two types of assessment for the Level 3 Certificate in Introduction to Financial Trading (RQF). These are skills and knowledge/understanding.

To confirm your skills competence, you are advised to work through the e-learning material with the support of your tutor and complete the self-test activities at the end of each of the lessons. Once you feel you are ready, you can then ask your tutor/assessor to provide you with the final skills assessment which will consist of a work-based assignment covering the trading of a financial product.

To confirm your knowledge/understanding competence, you are again advised to work through the e-learning material with the support of your tutor and complete the self-test activities at the end of each of the lessons. Once you feel you are ready, you can then ask your tutor/assessor to provide you with the final knowledge/understanding assessment which will consist of workbook-style questionnaire.

You may produce evidence from a range of sources which should be recorded in some form. A record of evidence will confirm to your tutor/assessor their confidence in your competence and breadth and depth of knowledge and understanding in being able to competently meet the functional requirements of all the units.

Your tutor/assessor will need to be assured that you can:

- meet all the learning outcomes of a unit
- pass all the skills and knowledge of a unit

Your tutor/assessor may request additional evidence if they are not satisfied with the evidence you present. If this occurs, it may need to be agreed in partnership with you and your tutor/assessor.

5.4 Recognition of prior learning (RPL)

RPL recognises how the contribution of a learner's previous experience could contribute to a qualification. Should any opportunities for RPL be identified, it is important that a complete process of recognising prior experience and learning is undertaken, by ensuring that:

- it covers relevant or appropriate experience for previous activities, as well as accredited learning and qualifications
- it is incorporated into the assessment planning, with details of how this will take place
- mapping of prior learning to the national occupational standards to identify gaps is documented and auditable
- assessment methods or processes for recognising prior experience and learning, are documented and made available to the external verifier
- the audit trail covers the whole process and methodology of RPL
- the authenticity and currency of presented evidence is established by the assessor

In considering the appropriateness of any single piece of evidence, the following should be considered:

- Content – the degree to which the content of any previous accredited learning meets the requirements of the national occupational standards against which it is being presented as evidence.
- Performance and knowledge – the degree to which the previous learning covered both performance and knowledge. Some learning will only have offered and tested the latter, in which case RPL will only recognise the meeting of knowledge requirements. Performance will require further assessment. Although unlikely, the reverse (performance tested but not knowledge) could be true in which case knowledge and understanding would need further assessment.
- Relevance of context – the degree to which the context of the learning gained and assessed, relates to the current context of learner's work roles. If the context was different, assessors will need to satisfy themselves of learners' ability to transfer the learning gained into their current setting.
- Currency – how recently the learning was gained. Learners would need to demonstrate current knowledge and understanding of areas such as legislation, policy and practice etc., which may have changes since the previous learning programmes were undertaken.
- Authenticity – how the ownership of the evidence is established to ensure it was generated by the learner.

6 Units

Unit Handbook

FT5 – Principles of Financial Trading

Unit reference number: K/615/8099

Level: 3

Guided Learning (GL) hours: 18

Unit aim

The aim of this unit is to provide the learner with the opportunity to gain an understanding of the role of a Financial Trader and the psychology behind being a successful Trader. The unit also provides the learner with an understanding of the principles of financial markets and traded financial markets operations.

Learning outcomes

There are four outcomes to this unit. The learner will:

LO1 Understand the role of a Financial Trader

LO2 Understand the operation of financial markets

LO3 Understand the operation of traded financial markets

LO4 Understand the psychology of market trading

Unit content

Endorsement of the unit by a sector or other appropriate body

This unit is endorsed by Financial Skills Partnership, the skills council for the financial sector

Evidence requirements

Learners will be required to provide a portfolio of evidence indicating that they have met all the unit outcomes and skills and knowledge requirements.

Assessment guidance

Types of traders could include:

- Proprietary traders and firms
- Investment banks
- Market makers

Types of investors could include:

- Mutual fund
- Investment banks
- Retail investments
- Institutional investments

Strategies could include:

- Technical analysis
- Market psychology
- Supply and demand
- Other traders

Categories of algorithmic trading could include:

- Market making
- Order execution
- Arbitrage

Basic functions associated with the operation of the financial markets could include:

- Borrowing and lending.
- Price determination
- Information aggregation and co-ordination
- Risk sharing
- Liquidity
- Efficiency

Banks and other financial institutions could include:

- The Bank of England
- OECD (Organisation for Economic Co-Operation and Development)
- IMF (international Monetary Fund)

Types of exchanges could include:

- Trading exchange
- Electronic exchange
- Stock exchange

Types of risks could include:

- Credit
- Re-investment
- Inflation
- Liquidity
- Market

Learning outcomes

Learning Outcome	Assessment Criteria
LO1 Understand the role of a Financial Trader	1.1 Define the role of a trader
	1.2 Compare the differences between the common types of traders and investors
	1.3 Explain the significance of the different strategies used by traders
	1.4 Compare the benefits of the different algorithmic trading strategies

Learning Outcome	Assessment Criteria
LO2 Understand the operation of financial markets	2.1 Describe the economic influences on the financial market
	2.2 Compare the differences between the operation of the different financial markets
	2.3 Describe the basic functions associated with the operation of the financial markets
	2.4 Compare the differences between the cash market and the futures market
	2.5 Explain the significant differences between spread betting and a CFD (contract for difference)
	2.6 Evaluate the influence of the banks and other financial institutions on the financial markets

Learning Outcome	Assessment Criteria
LO3 Understand the operation of traded financial markets	3.1 Compare the differences between the different types of exchanges
	3.2 Describe the operation of the different traded markets
	3.3 Evaluate the management of different risks within the different traded markets
	3.4 Describe the range of factors affecting pricing within the different traded markets

Learning Outcome	Assessment Criteria
LO4 Understand the psychology of market trading	4.1 Explain the use of market psychology in financial trading
	4.2 Explain the use of trader psychology in financial trading
	4.3 Evaluate the effectiveness of trader and market psychology in trading successfully

FT5 Document History

Version	Issue Date	Changes	Role
v1.0	31/01/2023	Re-branded	Compliance Manager

Unit Handbook

FT6 – Principles of financial planning and cash flow in financial trading

Unit reference number: H/615/8098

Level: 3

Guided Learning (GL) hours: 15

Unit aim

The aim of this unit is to provide the learner with the opportunity to gain an understanding of the principles of financial management and the forecasting financial targets within financial trading activities. The unit also provides the learner with an understanding of how business tax and VAT impact on financial trading operations.

Learning outcomes

There are three outcomes to this unit. The learner will:

LO1 Understand the principles of financial management in financial trading

LO2 Understand the principles of forecasting financial targets in financial trading

LO3 Know how business tax and VAT impact on financial trading

Unit content

Endorsement of the unit by a sector or other appropriate body

This unit is endorsed by Financial Skills Partnership, the skills council for the financial sector

Evidence requirements

Learners will be required to provide a portfolio of evidence indicating that they have met all the unit outcomes and skills and knowledge requirements.

Assessment guidance

Techniques used to estimate risks and returns could include:

- CAPM (capital asset pricing model)
- Sharpe ratio
- Jensen measure

Taxes which apply to UK residents should include:

- Stamp duty
- Financial transaction tax (FTT)

Types of FTT could include:

- Currency transaction tax
- Securities transaction tax
- Bank transaction tax
- Automated payment transaction tax

Learning outcomes

Learning Outcome	Assessment Criteria
LO1 Understand the principles of financial management in financial trading	1.1 Describe the benefits of financial management
	1.2 Explain how different financial strategies can maximise a trading account

Learning Outcome	Assessment Criteria
LO2 Understand the principles of forecasting financial targets in financial trading	2.1 Describe how profit and loss can impact on trading targets
	2.2 Compare the different measuring techniques used to estimate risks and returns
	2.3 Calculate the rates of return on a range of investments

Learning Outcome	Assessment Criteria
LO3 Know how business tax and VAT impact on financial trading	3.1 Describe the scope of the taxes which apply to UK residents regarding the purchasing and selling of shares
	3.2 Explain the core purpose of Financial Transaction Tax within financial trading
	3.3 Describe the features of the different types of financial transaction taxation

FT6 Document History

Version	Issue Date	Changes	Role
v1.0	31/01/2023	Re-branded	Compliance Manager

Unit Handbook

FT7 – Understanding financial trading techniques

Unit reference number: D/615/8097

Level: 3

Guided Learning (GL) hours: 12

Unit aim

The aim of this unit is to provide the learner with the opportunity to gain an understanding of how to analyse the market and its associated trading patterns and how to successfully trade financial products in a global market.

Learning outcomes

There are two outcomes to this unit. The learner will:

LO1 Understand how to analyse the market and trading patterns

LO2 Understand how to trade financial products

Unit content

Endorsement of the unit by a sector or other appropriate body

This unit is endorsed by Financial Skills Partnership, the skills council for the financial sector

Evidence requirements

Learners will be required to provide a portfolio of evidence indicating that they have met all the unit outcomes and skills and knowledge requirements.

Assessment guidance

Different types of charts could include:

- Line charts
- Bar Charts
- Candlestick charts
- Market profile charts

Types of trends should include:

- Uptrend
- Downtrend
- Sideways trend

Types of trading should include:

- Outright
- Spread

Economic indicators could include:

- GDP (gross domestic product) index
- Employment and wages index
- Personal income and consumption
- Producer and consumer price index
- Consumer confidence index
- Retail sales index
- European economic indicators
- House price index

Learning outcomes

Learning Outcome	Assessment Criteria
LO1 Understand how to analyse the market and trading patterns	1.1 Compare the use of fundamental analysis and technical analysis to analyse the market and its trading patterns
	1.2 Describe the importance of having a limited number of technical indicators when developing a trading strategy
	1.3 Compare the benefits of using different types of charts to analyse the market and its trading patterns
	1.4 Explain how trends can impact on the analysis of the market and its trading patterns

Learning Outcome	Assessment Criteria
LO2 Understand how to trade financial products	2.1 Compare and contrast the types of trading that occur in the financial markets
	2.2 Describe the different economic indicators that can influence trading behaviour
	2.3 Explain the correlation between the Daily Trading Sheet and the trading of financial products

FT7 Document History

Version	Issue Date	Changes	Role
v1.0	31/01/2023	Re-branded	Compliance Manager

FTC3 Document History

Version	Issue Date	Changes	Role
v2	03/02/2023	Formatting and re-branding. No content amendment.	Data Administrator.