

## Abbreviation Table

<b>ADL</b>	<i>Activities for Daily Living</i>
<b>APACS</b>	<i>Association for Payment and Clearing Services</i>
<b>APR</b>	<i>Annual percentage Rate</i>
<b>ARLA</b>	<i>Association of Rental Letting Agents</i>
<b>ASU</b>	<i>Accident, Sickness, Unemployment</i>
<b>AVC</b>	<i>Additional Voluntary Contributions</i>
<b>BACS</b>	<i>Banking Automated Clearing Services</i>
<b>BOE</b>	<i>Bank of England</i>
<b>BRT</b>	<i>Basic Rate Tax Payer</i>
<b>CAD</b>	<i>Capital Adequacy Directive</i>
<b>CAT</b>	<i>Charges Access and Terms</i>
<b>CCJ</b>	<i>County Court Judgement</i>
<b>CD</b>	<i>Certificate of Deposit</i>
<b>CeRCC</b>	<i>Certificate in Regulated Customer Care</i>
<b>CGT</b>	<i>Capital Gains Tax</i>
<b>CHAPS</b>	<i>Clearing House Automated Payment System</i>
<b>CIDD</b>	<i>Combined Initial Disclosure Document</i>
<b>CPD</b>	<i>Continuous Professional Development</i>
<b>CPI</b>	<i>Consumer Price Index</i>
<b>CRD</b>	<i>Capital Requirement Directive</i>
<b>CTF</b>	<i>Child Trust Fund</i>
<b>EEA</b>	<i>European Economic Area</i>
<b>EFTPOS</b>	<i>Electronic Fund Transfer at the Point of Sale</i>
<b>EPA</b>	<i>Enduring Power of Attorney</i>
<b>EPS</b>	<i>Earnings Per Share</i>
<b>EU</b>	<i>European Union</i>
<b>FATF</b>	<i>Financial Action Task Force</i>

## Abbreviation Table

<b>FIS</b>	<i>Fixed Interest Securities</i>
<b>FCA</b>	<i>Financial Conduct Authority</i>
<b>FSAVC</b>	<i>Free Standing Additional Voluntary Contributions</i>
<b>GDP</b>	<i>Gross Domestic Product</i>
<b>GEB</b>	<i>Guaranteed Equity Bond</i>
<b>Gilts</b>	<i>Gilt Edged Securities</i>
<b>GSA</b>	<i>Guaranteed Sum Assured</i>
<b>HRT</b>	<i>Higher Rate Tax Payer</i>
<b>IDD</b>	<i>Initial Disclosure Document</i>
<b>IFA</b>	<i>Independent Financial Advisor</i>
<b>IHT</b>	<i>Inheritance Tax</i>
<b>ISA</b>	<i>Individual Savings Account</i>
<b>ISD</b>	<i>Investment Services Directive</i>
<b>IVA</b>	<i>Individual Voluntary Arrangement</i>
<b>LIBOR</b>	<i>London Inter Bank Offered Rate</i>
<b>LPA</b>	<i>Lasting Power of Attorney</i>
<b>LTC</b>	<i>Long Term Care</i>
<b>LRT</b>	<i>Lower Rate Tax Payer</i>
<b>LTV</b>	<i>Loan to value Ratio</i>
<b>MCCB</b>	<i>Mortgage Code Compliance Board</i>
<b>MCOB</b>	<i>Mortgage Conduct of Business Rules</i>
<b>MiFID</b>	<i>Markets in Financial Instruments Directive</i>
<b>MIG</b>	<i>Mortgage Indemnity Guarantee</i>
<b>MLRO</b>	<i>Money Laundering Reporting Officer</i>
<b>MPP</b>	<i>Mortgage Protection Policy</i>
<b>MPPI</b>	<i>Mortgage Payment Protection Insurance</i>
<b>MPPP</b>	<i>Mortgage Payment Protection Plan (same as above)</i>

## Abbreviation Table

<b>MVA</b>	<i>Market Value Adjuster</i>
<b>NAV</b>	<i>Net Asset Value</i>
<b>NIC</b>	<i>National Insurance Contribution</i>
<b>NS&amp;I</b>	<i>National Savings and Investment</i>
<b>NTP</b>	<i>Non Tax Payer</i>
<b>OEIC</b>	<i>Open Ended Investment Company</i>
<b>OPAS</b>	<i>Office of Pensions Advisory Scheme</i>
<b>PA</b>	<i>Personal Allowance</i>
<b>PAYE</b>	<i>Pay As You Earn</i>
<b>PE Ratio</b>	<i>Price Earnings Ratio</i>
<b>PEP</b>	<i>Personal Equity Plans</i>
<b>PETS</b>	<i>Potentially Exempt Transfers</i>
<b>PHI</b>	<i>Permanent Health Insurance</i>
<b>PIBS</b>	<i>Permanent Interest Bearing Shares</i>
<b>PMI</b>	<i>Private Medical Insurance</i>
<b>PPP</b>	<i>Personal Pension Plan</i>
<b>PSNB</b>	<i>Public Sector Net Borrowing</i>
<b>PSNCR</b>	<i>Public Sector Net Cash Requirement</i>
<b>REIT</b>	<i>Real Estate Investment Trust</i>
<b>RPI</b>	<i>Retail Price Index</i>
<b>S2P</b>	<i>Additional State Benefit</i>
<b>SDLT</b>	<i>Stamp Duty land Tax</i>
<b>SHEP</b>	<i>Second Hand Endowment policies</i>
<b>SHIP</b>	<i>Safe Home Income Plans</i>
<b>SHP</b>	<i>Stake holder Pension Plans</i>
<b>SOCA</b>	<i>Serious Organised Crime Agency</i>
<b>SVR</b>	<i>Standard Variable Rate</i>

### Abbreviation Table

<b>TCF</b>	<i>Treating Customers fairly</i>
<b>TEP</b>	<i>Traded Endowment Policies</i>
<b>VAT</b>	<i>Value Added Tax</i>

## ACTS TABLE

Acts	Coverage
<b>Competition Act 1998</b>	<i>To Ensure Healthy Competition in the UK.</i>
<b>Consumer Credit (Advertisements) Regulations 2004</b>	<i>Requirements for Credit Advertisements</i>
<b>Consumer Credit (Agreements) (Amendments) Regulations 2004</b>	<i>Clarity and understanding of Agreements</i>
<b>Consumer Credit (Disclosure of Information) Regulations 2004</b>	<i>Information Disclosure</i>
<b>Consumer Credit (Early Settlement) Regulations 2004</b>	<i>Entitlement and Rebates of early redeemed loans.</i>
<b>Consumer Credit Act 1974</b>	<i>Personal loans, second charges, revolving credits, APR (regulates loans under £25,000)</i>
<b>Consumer Credit Act 2006</b>	<i>Personal loans, second charges, revolving credits, APR (Unlimited amounts)</i>
<b>Data Protection Act 1998</b>	<i>Data control - Electronic and Manual records. Credit searches</i>
<b>Enterprise Act 2002</b>	<i>Bankruptcy</i>
<b>Financial Services and Market Act 2000 (FSMA 2000)</b>	<i>Financial Services Authority Financial Ombudsman Service</i>
<b>Insolvency Act 1986</b>	<i>Insolvency</i>
<b>Mentally Capacity Act 2005</b>	<i>Lasting Power of Attorneys</i>
<b>Proceeds of Crime Act 2002</b>	<i>Money laundering</i>
<b>Supply of Goods and Services Act 1982</b>	<i>Contracts that involve the Provision of Services.</i>
<b>Terrorism Act 2000</b>	<i>Money Laundering</i>
<b>The Finance Act 1987</b>	<i>FCAVC Schemes</i>
<b>Unfair Terms in consumer Credit Legislation 1999</b>	<i>Contracts Between a Supplier of Goods And Services and a Consumer</i>

## EUROPEAN DIRECTIVES TABLE

Directives	Coverage
<b>Capital Adequacy Directive (CAD)</b>	<i>Worked in conjunction with the ISD.</i>
<b>Capital Requirement Directive</b>	<i>Works with the MiFID.</i>
<b>Directive on Insurance Mediation</b>	<i>Freedom for Insurance intermediaries to provide their services in all EU states.</i>
<b>First Life Directive</b>	<i>Adopted to put into context the "treaty of Rome".</i>
<b>Fourth Life Directive</b>	<i>Replaces all 3 directives. Set up to make a "single license system work".</i>
<b>Investment Services Directive (ISD)</b>	<i>Freedom of Investment firms around the EU.</i>
<b>Market in Financial Instruments Directive (MiFID)</b>	<i>Updates the ISD.</i>
<b>Second Banking Directive</b>	<i>Freedom of Credit institutions around the EU.</i>
<b>Second Life Directive</b>	<i>To allow cross frontier services for Life Assurance Firms.</i>
<b>Second Non Life Council Directive</b>	<i>Freedom to carry out General Insurance business across the EU without setting up subsidiary or branch.</i>
<b>Third Life Directive</b>	<i>Life Framework Directive.</i>
<b>Third Non - Life Council Directive</b>	<i>Concluded the process. Insurance firms can set up branches in other states with supervision from the home state.</i>

## KEY TERMS

<b>AGENT</b>	Acts on behalf of the principal, within specific boundaries, to conclude contracts.
<b>ANNUAL ALLOWANCE</b>	Maximum amount that can be contributed to a pension during a tax year without a tax charge being applied.
<b>ANNUITY</b>	A financial product purchased with a lump sum, which then pays out a regular income. potentially for the lifetime of the annuity holder (the annuitant).
<b>APPARENT AUTHORITY</b>	Something either done or said by the principal that leads to the impression that they have authorised the agents actions.
<b>ATTITUDE TO RISK</b>	The extent to which a customer can cope with a lack of guarantees in respect of capital values and their feelings on fluctuating returns / income levels.
<b>BANK RATE</b>	The rate at which the Bank of England lends to other financial institutions. In this text the term 'Bank rate' is used. but you might also see it written 'Bank Rate or referred to as 'base rate'.
<b>BANKRUPTCY</b>	Legal process triggered by the insolvent individual or by creditors where the individual owes a minimum of £5,000. A bankruptcy order usually lasts 12 months.
<b>BASIC ESSENTIAL EXPENDITURE</b>	Expenditure on food and other housekeeping costs, EXPENDITURE utilities, telephone, council tax, buildings insurance, ground rent and service charges for leasehold properties, and essential travel to work and school.
<b>BEARER SECURITIES</b>	Securities that are deemed to be owned by whoever physically possesses the document that confers ownership, rather than ownership being determined by an entry on a register, etc.
<b>BENEFICIARY</b>	A person or organisation that receives benefits under the terms of a will.
<b>CAPITAL ADEQUACY</b>	Ensuring that a business holds sufficient reserves of capital to ensure it is sustainable
<b>CAPITAL GAINS TAX</b>	Tax payable on the gain made when certain assets (e.g. personal property above a specific value, or business assets) are disposed of, usually by selling them.

<b>CERTIFICATE OF DEPOSIT</b>	A 'receipt' confirming that a (substantial) deposit has been made with a bank or building society for a fixed period at a fixed rate of interest.
<b>CERTIFICATION FUNCTIONS</b>	Individuals who must be certified as fit and proper to carry out their role. Also known as significant harm functions, this includes mortgage and investment advisers.
<b>CODICIL</b>	Document that formally amends a will.
<b>COMMERCIAL PAPER</b>	An unsecured promissory note – i.e. a promise to repay the funds that have been received in exchange for the paper.
<b>COMMITTED EXPENDITURE</b>	Repayments on credit agreements or other contractual arrangements.
<b>COMPANY VOLUNTARY ARRANGEMENT</b>	Agreement by creditors who represent at least 75 per cent of the value of the debt as to how to manage company liabilities, with the aim of avoiding the business going into administration.
<b>CONDUCT REGULATION</b>	Regulation requiring firms that provide products and services to consumers to ensure that those products and services meet the consumer's needs, and to act appropriately and to deal fairly with consumers.
<b>CREDIT INTERMEDIARY</b>	Helps an individual to obtain credit, eg by helping them to complete a loan application, or find the lender offering the best rates or willing to lend to those with a poor credit history.
<b>DEED OF VARIATION</b>	Legal agreement by the beneficiaries to alter the terms of a will, after the death of the testator.
<b>DEFERRED NEEDS PLAN</b>	An investment designed to build up funds that can then be drawn on to pay for care needs as and when required.
<b>DEFINED-BENEFIT SCHEME</b>	A scheme in which the pension benefits the Individual will receive are specified from the outset.
<b>DEFINED-CONTRIBUTION SCHEME</b>	A scheme in which an agreed level of contributions is paid but the benefits that the individual ultimately receives depend on the performance of the investments into which the contributions are paid. Also referred to as a money-purchase scheme.
<b>DEFLATION</b>	A general fall in the price of goods and services. In other words, the inflation rate is below zero per cent – a negative inflation rate.
<b>DIRECT TAXES</b>	Applies to individuals and their assets (income tax, capital gains tax, inheritance tax, National Insurance).

<b>DIVIDEND</b>	A portion of a company's profits that is distributed to shareholders. The level of dividend available is dependent on the profitability of the company and strategic decisions such as the need to reinvest profits to expand the business
<b>DONEE</b>	Person who is given power of attorney. Often, they are simply referred to as the attorney.
<b>DONOR</b>	Person who makes a power of attorney.
<b>EARNED INCOME</b>	Income from employment or self-employment (profits, salary, tips, commission, bonuses and pension benefits).
<b>EXECUTOR</b>	Person named by the testator as being responsible for carrying out the wishes expressed in a valid will.
<b>FIRST CHARGE</b>	If a lender has to take possession of a property and sell it as a result of the borrower defaulting on the loan, the holder of a first-charge loan has the right to be repaid ahead of other charge holders from the proceeds of the sale.
<b>FISCAL POLICY</b>	The adjustment of levels of taxation and public spending in a way that is intended to achieve the government's macroeconomic objectives.
<b>GENERAL INSURANCE</b>	Insurance designed to protect policyholders from the financial consequences of adverse life events. Examples include buildings and contents insurance, motor insurance, travel insurance and property insurance.
<b>GRANT OF PROBATE</b>	Legal authority for executors to distribute an estate according to the terms of a valid will.
<b>Gross Domestic Product – GDP</b>	GDP is a measurement of a country's overall economic activity. Technically it is the monetary value of all the goods and services produced within the country (ie 'domestically') in a given period, e.g. one year.
<b>IMMEDIATE NEEDS ANNUITY</b>	An annuity from which the benefits are used to pay for care needs that the insured already has.
<b>INDIRECT TAXES</b>	Applied to goods and services at the time they are purchased (eg VAT, stamp duty).
<b>INDIVIDUAL VOLUNTARY ARRANGEMENT</b>	Agreement by creditors who represent at least 75 per cent of the value of the debt to reschedule an individual's debt repayments.
<b>DISINFLATION</b>	A fall in the rate of inflation, ie prices are still rising, but at a slower rate than before.

<b>INFLATION</b>	A general rise in prices, resulting from 'too much money chasing too few goods'. In more formal economic terminology, it can be defined as a situation where the rate of growth of the money supply is greater than the rate of growth of real goods and services.
<b>INFLATION TARGET</b>	The level of inflation that economists judge is appropriate to keep the national economy functioning efficiently. In the UK the inflation target (at the time of writing, July 2016) is 2 per cent, as measured by the Consumer Prices Index, with a 1 per cent maximum divergence either way. The Bank of England has responsibility for achievement of the government's inflation target. Current and predicted future levels of inflation are a key consideration in setting the Bank of England base rate of interest (BoEBr).
<b>INSOLVENCY</b>	A situation in which liabilities exceed assets or an organisation or individual cannot meet their liabilities within a reasonable period of their falling due.
<b>INSOLVENCY PRACTITIONER</b>	Appointed by the court or by the official receiver (in consultation with creditors) to identify and manage the distribution of an individual's or company's assets. Insolvency practitioners must be licensed to practise.
<b>LIFE ASSURANCE</b>	Insurance that provides payment, generally as a lump sum but possibly as an income, on the death of the person covered by the policy. It is sometimes referred to as life insurance or life cover.
<b>LIFE ASSURED</b>	The person whose life is covered by the policy, ie the policy is designed to pay out if this person dies while the policy is in place.
<b>LIFETIME ALLOWANCE</b>	The total amount that an individual may hold in tax-privileged pension schemes at the point where the benefits are taken, without incurring a tax charge.
<b>MONEY'S WORTH</b>	Provision of goods / services in lieu of a cash payment.
<b>OFFICIAL RECEIVER</b>	Official appointed by the court to identify and distribute the assets of a bankrupt individual or business and investigate the reasons for the bankruptcy.
<b>PENSION COMMENCEMENT LUMP SUM</b>	The sum (up to 25 per cent of the individual's pension fund) that may be taken at retirement tax-free.

<b>PERSONAL PENSION</b>	A pension product that is arranged on an individual basis (ie rather than a pension scheme run by an employer). The benefits eventually received depend on the performance of the funds into which the individual's pension contributions are invested.
<b>POLICYHOLDER</b>	The person who owns the policy and pays the premiums. Often this is the same as the life assured.
<b>PRINCIPAL</b>	The party granting permission to the agent to act on their behalf.
<b>PRUDENTIAL REGULATION</b>	Regulations aimed at ensuring that a business is established and run on a sound financial basis. Aims to limit the risk of that business failing and, if a failure does occur, to limit any adverse impact on consumers and the wider economy.
<b>PUBLIC SECTOR NET CASH REQUIREMENT</b>	A government that has a deficit must borrow to finance it. The public sector net cash requirement (PSNCR) is a cash measure of the public sectors short-term net financing requirement.
<b>RATIFICATION</b>	A retrospective agreement by the principal to actions taken by the agent that exceed the latter's authority.
<b>RECESSION</b>	A significant decline in economic activity over a sustained period. Technically, it is two consecutive quarters of negative economic growth as measured by a country's gross domestic product (GDP).
<b>REGULATION</b>	The body of rules created by the various regulatory bodies, to which participants in the financial services industry must adhere.
<b>REPRESENTATIVE APR</b>	An APR that applies to 51 per cent or more of successful applicants for the credit product.
<b>RETAIL BANKS</b>	Banks that provide payment services and savings and loans to personal customers or smaller businesses.
<b>SECOND CHARGE</b>	A legal call on a property after all the liabilities to the holder of the first charge have been settled.
<b>SECURITIES</b>	Financial assets that can be traded. They can be divided into two broad classes: those that represent ownership (equities) and those that represent debt (such as government and local authority bonds).
<b>SENIOR MANAGEMENT FUNCTIONS</b>	Key individuals within a firm who perform significant roles. Individuals must be pre-approved by the FCA/PRA before they are appointed.

<b>SOLVENCY</b>	The extent to which a business's assets exceed its liabilities. An example from the financial services industry would be mortgage lenders whose assets are the loans made to consumers; liabilities are the funds borrowed to facilitate those loans, from deposit-taking or from the money markets.
<b>SOLVENCY RATIO</b>	Capital as a percentage of the risk-adjusted value of assets.
<b>STAKEHOLDER PENSION</b>	A simple, low-cost pension product that meets government standards on charges and levels of contribution.
<b>SUM ASSURED</b>	The amount that will be paid out under the terms of the policy.
<b>SUPERVISION</b>	The range of activities undertaken by regulators to ensure that participants adhere to the regulatory requirements.
<b>SURRENDER VALUE</b>	The sum payable by the insurance company to the policyholder if the policyholder chooses to terminate the policy before the end of the term, or before the insured event occurs.
<b>SYSTEMICALLY IMPORTANT PROVIDERS</b>	Providers whose failure would have a significant adverse impact on the national or global financial system. Generally these would be providers with a large customer base.
<b>TERM</b>	The period for which cover is provided under the policy.
<b>TESTATOR</b>	Person who makes the will.
<b>TOLERANCE OF RISK</b>	The extent to which a customer's finances could cope with a loss of capital and / or income.
<b>UNEARNED INCOME</b>	Income that is not derived from employment or self-employment (interest/dividends from investments, rental income, trust income, etc).
<b>WHOLESALE BANKS</b>	Banks that provide funding for other financial institutions or very large corporate clients.
<b>WORKING CAPITAL</b>	Funds available for the day-to-day running of the business, calculated as current assets minus current liabilities.