

Benchmarking the CFA Charter and Certificate in ESG Investing

Following an independent evaluation, Ecctis has found the following levels of comparability for the CFA Charter and Certificate in ESG Investing:

	CFA Charter	Certificate in ESG Investing
UK	Comparable to RQF Level 7* ¹	Comparable to RQF Level 4
USA	Comparable to US Masters' degree standard	Comparable to Associate degree standard
Canada	Comparable to OQF Level 12*	Comparable to OQF Level 7
India	Comparable to NSQF Level 9*	Comparable to NSQF Level 6
Hong Kong	Comparable to HKQF Level 6*	Comparable to HKQF Level 4
Singapore	Comparable to Singaporean Master's degree standard	Comparable to Singaporean Polytechnic Diploma standard
Australia	Comparable to AQF Level 9*	Comparable to AQF Level 5
Brazil	Comparable to <i>Título de Mestre</i> (Brazilian Master's degree standard)	Comparable to <i>Curso Superior de Formação Específica</i> (Higher Education Diploma of Specific Training)
China	Comparable to the Chinese Master's degree standard	Comparable to Preparatory Technician Certificate standard
Japan	Comparable to the Japanese Master's degree standard	Comparable to Associate degree standard
South Africa	Comparable to S. A. NQF Level 9*	Comparable to S.A. NQF Level 6
France	Comparable to NQF Level 7*	Comparable to NQF Level 4

* Comparable to Master's degree standard

Ecctis has also found the following levels of comparability for the CFA Level I:

- Comparable to RQF Level 5 in the UK education system
- In the absence of a national qualification framework or directly comparable qualification in the USA education system, CFA Level I can be considered broadly comparable to completion of Year 3 of a 4-year US Bachelor degree.

Context and Scope

CFA Institute is a global association of investment professionals that sets professional standards and credentials in the international investment industry. CFA Institute offers a number of

professional designations and qualifications, including the CFA Charter and the Certificate in ESG Investing.

The CFA Charter was previously benchmarked by Ecctis to the UK system in 2009; an international benchmarking of the CFA Charter to selected international education systems took place in 2013. The Certificate in ESG Investing is now managed and regulated by the CFA Institute

¹ In the context of the European Qualifications Framework (EQF), RQF Level 7 (CFA Charter comparable level) has been referenced to EQF Level 7. RQF Levels 5 and 4 (comparable levels for CFA Level I and Certificate in ESG Investing, respectively) are both aligned at EQF Level 5.

since October 2021, having been previously awarded by CFA Society of the UK.

Following updates to the CFA Program and a move to online assessment, CFA Institute has commissioned Ecctis to undertake a benchmarking exercise with a view to evaluating the comparability of the CFA Charter, based on the updated 2021 curriculum, and Certificate in ESG Investing in relation to the UK education system and eleven selected international education systems. This study aims to promote a wider understanding regarding how the CFA Charter and Certificate in ESG Investing relate to educational standards in the UK and in the wider, international context.

CFA Program and Charter

The CFA Program is a self-study programme intended for practicing investment professionals, students and, aspiring investment practitioners to equip them with expertise and real-world skills in investment analysis. The CFA Charter is the professional designation awarded on completion of the CFA Program and the required work experience.

The CFA Program leading to the Charter comprises three levels of professional exams: Level I, Level II and Level III. Each level of the curriculum builds on the prior level and is intended to become increasingly complex. The curriculum for Levels I-III is based on the CFA Candidate Body of Knowledge (CBOK), which sets out the core knowledge, skills and abilities that can generally be expected and applied by CFA Charterholders on completion.

To enrol on the CFA Program, and begin studying for the Level I exam, candidates must have one of the following: a) a Bachelor degree or equivalent in any subject; b) be studying toward this undergraduate degree with 11 months or fewer remaining; or c) a combination of 4,000 hours of professional work experience and/or higher education that was acquired over a minimum of three sequential years.

Certificate in ESG Investing

The Certificate in ESG Investing is similarly a self-study programme intended for individuals working in a range of roles across the finance industry. It is designed to cover practical application and technical knowledge in the field of ESG investing. There are no specific entry requirements for the Certificate, although prospective candidates are expected to have a foundational knowledge and understanding of investments. Candidates are required to pass a two and a half hour examination in order to receive the Certificate in ESG Investing.

Key Findings

The comparative analysis against the UK education system found the CFA Charter to be comparable to Regulated Qualifications Framework (RQF) Level 7. Similarities between the CFA Program learning outcomes and assessment and the RQF Level 7 descriptor were evident in the following knowledge and skill areas:

- Using specialised skills to conceptualise and address problematic situations that involve many interacting factors.
- Designing and undertaking development or strategic activities to inform or produce change in the area of work or study.
- Reformulating and using practical, conceptual or technological knowledge and understanding of a subject or field of work to create ways forward in contexts where there are many interacting factors.

A comparative review of the depth and breadth of content coverage between the CFA Program and Master's degree reference points supported the overall comparability findings.

Analysis of the Certificate in ESG Investing found similarities in relation to the RQF Level 4 descriptor for knowledge and skills overall but particularly in relation to:

- Developing and applying practical, theoretical or technical knowledge and understanding of a subject or field of work to address problems that are well defined but complex and non-routine.

- Analysing and interpreting relevant information and ideas.

In the international context, similarities were particularly evident in CFA Program content and that covered at Master's level in Finance by recognised Higher Education Institutions. Equally, framework descriptors at post-graduate level typically focus on developing a specialised level of knowledge and understanding, including knowledge at the forefront of the field, areas which are similarly well reflected in the CFA Program.

Postgraduate level qualification framework descriptors and selected Master's outcomes across systems typically include the development of independent research skills, whereas the CFA Program primarily focused on practice-based scenarios and using research specifically in practical investing contexts. Nonetheless, the Master's level focus on developing strategies and recommendations for decision making is well developed at Level III of the CFA Program.

Comparative analysis of the Certificate in ESG Investing outcomes also found similarities in the level of knowledge and skills with the post-secondary level of study internationally. This level typically focuses on the development of a technical and practical knowledge and understanding of the field, sufficient to inform decision making, and application of knowledge to solve non-routine problems, skills which are also clearly developed and assessed by the Certificate in ESG Investing.

A comparison of CFA Level I in relation to the US education system found broad comparability to the Year 3 of Bachelor programmes.² Given the

² The comparative analysis also took into account that the four-year US Bachelor is considered to be comparable to UK ENIC Band 10 (whereas CFA Level I is considered comparable to Band 8, RQF Level 5 in the UK system). It is important to note that there are no stand-alone exit awards following completion of year 3 in the USA Higher Education system so a holistic evaluation is made taking into account the comparability of CFA Level I outcomes on completion as well as the already established comparability to the UK system. This also takes into account the general nature of study in Year 1 of the four-year US Bachelor degree, with Year 2 more broadly comparable with the level of study undertaken in Year 1 of the three-year UK Bachelor degree.

RQF Level 5 comparability of the CFA Level I in the UK system, the CFA Level I may be deemed a suitable course of study for those entering their second year of university in the UK. In the US, given that the first year typically focuses on introductory modules, the CFA Level I may be suitable for students starting their third year of study.

Methodology

Based on Ecctis' well-established methodology for credential evaluation, this independent evaluation and benchmarking study comprised a detailed review of the CFA Charter and Certificate in ESG Investing in terms of:

- Entry requirements
- Duration
- Content and structure
- Modes of learning and assessment
- Learning outcomes
- Associated outcomes.

The comparative analysis first examined the CFA Charter and Certificate in ESG Investing to the UK RQF and the UK ENIC Band Framework, then using this comparison as a reference point, subsequently compared to selected frameworks and systems in the eleven selected countries. Where national qualification frameworks are in place, the analysis focused on the comparability of CFA outcomes to level descriptors. In countries without a qualification framework, the approach focused on comparison of CFA qualification core components to similarly focused qualification reference points.

Quality assurance and control mechanisms and processes were also considered for the purposes of Ecctis determining comparability. These were found to be sufficient for the purposes of confirming comparability of the CFA Charter and the Certificate in ESG Investing in the context of this study.