

International Benchmarking Analysis of CFA Institute Qualifications

Executive Summary

Submitted by UK NARIC

The National Recognition Information Centre for the United
Kingdom

The national agency responsible for providing information and expert opinion on
qualifications and skills worldwide

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Commercial in confidence



UK NARIC has been commissioned by CFA Institute to undertake an international benchmarking study to compare the CFA qualifications against the education systems in Australia, Canada, Hong Kong, India, the Republic of Ireland, Malaysia, the Philippines, Singapore, South Africa, Switzerland, US, and the UK (in the context of the Scottish and Welsh systems). This project follows on from three previously conducted benchmarking exercises which examined the comparability of the CFA Program, the Certificate in Investment and Performance Measurement (CIPM) and the Claritas Investment Certificate respectively against the Qualifications and Credit Framework (QCF) used in England, Wales and Northern Ireland.

In conducting this study, UK NARIC has adapted its established methodological approach for evaluating international qualifications against qualification frameworks. In Australia, Canada, Hong Kong, Ireland, Malaysia, South Africa and the UK, which have national qualification frameworks in place, the overarching analysis focuses on comparing CFA Institute programmes against the skills and competencies outlined in the relevant framework level descriptors. In the absence of relevant qualification frameworks in India, the Philippines, Singapore, Switzerland and the US, comparisons are drawn between CFA Institute provision and nationally recognised qualifications in finance and investment. Relevant qualification components were considered including the duration, entrance requirements, programme content and structure, learning outcomes, modes of learning and assessment, associated outcomes and quality assurance, in line with UK NARIC's standard evaluation criteria. It should be noted that the report does not intend to demonstrate or imply equivalence with any of the specific programmes reviewed but rather to use the programmes as indicators of national qualification standards in order to help inform the overall comparability statements.

In summary, the analysis of CFA Institute qualification design against framework level descriptors has revealed similarities between the CFA and CIPM Program outcomes and the expected skills and competencies at higher qualification framework levels. Commonalities have been identified in a number of skill areas, including knowledge and understanding, application, and the autonomy and accountability typically associated with roles practised by qualification holders at the relevant levels. The CFA Level I and CIPM Principles Level demonstrate comparability in terms of their core outcomes to the level descriptors at Diploma of Higher Education level, with similar emphasis placed on developing a detailed knowledge and understanding of the field and on using analytical skills to solve problems in defined contexts.

CFA Level II and CIPM Expert Level, demonstrating a greater focus on application and solving complex problems in less defined contexts, have been found to be comparable with framework level descriptors representing completion of undergraduate studies. CFA Level III focuses on integration and synthesis of knowledge and evaluation, equipping candidates with the critical analytical skills to make decisions in less predictable contexts, reflecting a similar level of competence that expected at postgraduate level. While the evaluation process takes into account the additional work requirements to gain the CFA and CIPM designations, these have been found to hold the same academic standing as CFA Level III and CIPM Expert Level respectively.

As an introductory level, knowledge-based qualification, the Claritas Investment Certificate compares broadly to post-secondary training or specialised secondary level of education in the qualification frameworks reviewed. Descriptors at this level typically reference the ability to demonstrate a broad and basic knowledge and understanding of the field, correlating with the main outcome of the Claritas Certificate.

Transferrable skills such as communication, numeracy and IT skills, and those associated with higher level academic studies such as the application of research methodologies are not referenced in the CFA qualification Learning Outcome Statements (LOS). At the same time, it is acknowledged that many CFA candidates may have acquired many of these skills through completion of undergraduate level studies, an entrance requirement for enrolment onto the Program, and / or through their work experience.

Where required, supporting analysis of national tertiary level qualifications has also been conducted, revealing similarities in the content, learning and occupational outcomes with CFA Institute qualifications. The ability to solve complex financial problems using the relevant analytical techniques is as well developed in the CFA Program as in reviewed Master's degrees in finance. Furthermore, in terms of professional outcomes, the CFA Charter may confer a broadly similar level of occupational decision making ability as that associated with completing a Master's degree in finance in the countries included within this study.

In contrast to the self-directed mode of learning of the CFA Program, tertiary level qualifications are predominantly delivered on campus and are assessed by a variety of methods, with greater emphasis placed on independent research and discursive skills required for higher level academic study. The CFA Program assessment clearly focuses more intensively on analysis and application of knowledge in industry based scenarios than tertiary degrees which assess a range of skills, including research capability. It is also noted that while a Master's can allow for progression to higher study at doctoral level, the CFA Program, as a stand-alone professional qualification, does not specifically lead onto a higher level of academic study, Charterholders may however undertake more specialised professional training in specific subject areas such as performance measurement and risk management.

There are few nationally offered qualifications directly comparable to the CIPM or the Claritas programmes in the countries reviewed. As a highly specialised award, the CIPM is one of the few professional qualifications which focuses specifically on performance investment measurement. Despite the absence of directly related reference points, an observable comparability in the overall level of analytical rigour and complexity inherent in the problem solving based assessment has been identified between that expected at CIPM Expert level and the designation and that expected at Bachelor degree level in selected countries surveyed as part of this analysis.

Moreover, it has been observed that the introductory level Claritas Investment Certificate has few nationally recognised counterparts in the countries reviewed. As a Continuing Professional Development qualification for professional support staff in the investment industry, it occupies a niche position in international qualification provision in finance. Connections were however identified between the Claritas outcomes and those commonly

associated with selected upper secondary and post-secondary vocational qualifications, with both generally seeking to develop basic skills and knowledge required for administrative and operative positions.

The Philippine education system represents an interesting case in the context of this study in that the ranking of the awarding institution impacts the level of comparability for Bachelor and Master's degrees. Bachelor degrees offered by a number of highly ranked universities or recognised Centres of Excellence are considered comparable to their counterparts in the UK and other countries examined as part of this study. Comparative analysis of the CFA Program found that Level II compared closely to this level, whilst CFA Level I was comparable in standard to Philippine Bachelor degree standard.

Philippine Master's degrees are considered below the level of Master's provision in the UK and other countries examined. The analysis of CFA Program Level III found that although the Philippine Master's degree develops the skills required to effectively make decisions, enabling graduates to meet market challenges and opportunities, the skills required to conduct evaluation and integrate complex knowledge were not as well developed in the Philippine Master's as in the CFA Level III and the charter. The main conclusion therefore was that the CFA Level III and the charter exceed the level of a Philippine Master's degree. It is also important to add that although a Philippines Qualification Framework (PQF) has been proposed and level descriptors have been drafted, it is not yet fully operational at the time of writing and as such it has not been used as the basis for referencing the CFA qualifications.

It is important to note that the benchmarking of the CFA Institute qualifications has been established based on broad connections in outcomes, while recognising the differences that exist between tertiary level qualifications and professionally oriented, industry led awards such as those offered by CFA Institute. The intention is therefore not to imply equivalency between qualifications, but to provide an indication of comparability between CFA Institute programmes and the selected national education systems in terms of overall level and standard. The report has clearly noted differences, together with identified lines of similarity, enabling the comparisons to be seen in the appropriate context.

Table 1 demonstrates the comparability between CFA Institute's professional designations and the Claritas Investment Certificate and relevant nationally recognised qualifications in the countries selected for this analysis.

Table 1: Benchmarking CFA Qualifications against International Qualification Frameworks

		Claritas Investment Certificate	CIPM			CFA Program			
			Principles	Expert	Designation	Level I	Level II	Level III	Designation
Australia	Framework level standard	4	6	7	7	6	7	9	9
	Qualification level standard	Certificate IV	Advanced Diploma	Bachelor degree	Bachelor degree	Advanced Diploma	Bachelor degree	Master's degree	Master's degree
Canada	Framework level standard	5	9	10	10	9	10	12	12
	Qualification level standard	Certificate III (Ontario)	Post-Diploma (Ontario)	Bachelor degree	Bachelor degree	Post-Diploma (Ontario)	Bachelor degree	Master's degree	Master's degree
Hong Kong	Framework level standard	3	4	5	5	4	5	6	6
	Qualification level standard	Advanced Certificate	Advanced Diploma	Bachelor degree	Bachelor degree	Advanced Diploma	Bachelor degree	Master's degree	Master's degree
India	Framework level standard	Not Applicable*							
	Qualification level standard	Diploma (from a State Technical Board)	No direct comparability**	Bachelor degree	Bachelor degree	No direct comparability**	Bachelor degree	Master's degree	Master's degree
Ireland	Framework level standard	5	6	7	7	6	7	9	9
	Qualification level standard	NFQ Certificate Level 5	Higher Certificate	Bachelor degree	Bachelor degree	Higher Certificate	Bachelor degree	Master's degree	Master's degree
Malaysia	Framework level standard	3	5	6	6	5	6	7	7
	Qualification level standard	Certificate Standard	Advanced Diploma	Bachelor degree	Bachelor degree	Advanced Diploma	Bachelor degree	Master's degree	Master's degree

Philippines	Framework level standard	Not Applicable*							
	Qualification level standard	No direct comparability**	Bachelor degree	Bachelor degree from a highly ranked university / Centre of Excellence	Bachelor degree from a highly ranked university / Centre of Excellence	Bachelor degree	Bachelor degree from a highly ranked university / Centre of Excellence	No direct comparability**	No direct comparability**
Scotland	Framework level standard	5	8	9	9	8	9	11	11
Singapore	Framework level standard	Not Applicable							
	Qualification level standard	Higher Nitec	Specialist Diploma	Bachelor degree	Bachelor degree	Specialist Diploma	Bachelor degree	Master's degree	Master's degree
South Africa	Framework level standard	4	6	7	7	6	7	9	9
	Qualification level standard	National Certificate Level 4	National Certificate Level 6	Bachelor degree	Bachelor degree	National Certificate Level 6	Bachelor degree	Master's degree	Master's degree
Switzerland	Framework level standard	Not Applicable*		Nqf.ch.HS Bachelor	Nqf.ch.HS Bachelor	Not Applicable*	Nqf.ch.HS Bachelor	Nqf.ch.HS Master	Nqf.ch.HS Master
	Qualification level standard	No direct comparability**	No direct comparability**	Bachelor degree / Licence	Bachelor degree / Licence	No direct comparability**	Bachelor degree / Licence	Master's degree	Master's degree
USA	Framework level standard	Not Applicable*							
	Qualification level standard	Advanced Placement	No direct comparability**	Bachelor degree	Bachelor degree	No direct comparability**	Bachelor degree	Master's degree	Master's degree
Wales	Framework level standard	3	5	6	6	5	6	7	7

Notes

*'Not Applicable' is used for countries without an implemented national qualifications framework at the time of writing or where the national framework does not incorporate levels of education relevant to this study

**No direct comparability is used to denote instances where there are no available national qualifications falling at the educational level represented by the relevant CFA examination or designation. In these cases further guidance has been provided in the relevant sections of the report to explain further why no comparability has been given.

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