



Tool Nr. 3 – FSS EQF Translator

THE FSS EQF TRANSLATOR. THE APPROACH

The FSS EQF Translator is designed to explain the universal descriptors of EQF for the Financial Services Sector (FSS) in EU. Hence, it is critical for the new descriptors to mirror the language and work environment of today's financial services industry. It is with this objective in mind that the learning outcomes (LOs) of the Translator are **embedded in the business processes of the sector** and manifest the fundamental needs of qualifications of the sector today and in the future.

The assumption taken in the elaboration of FSS EQF Translator is that FSS Translator should be read **together with EQF universal descriptors**. It should not be treated in isolation. It should be used to interpret EQF universal descriptors better for FSS. Consequently, there is an attempt in the Translator to provide **only those LOs which are specific to FSS**. They relate to six identified differentiators of the sector which are the key general notions/features that help differentiate Knowledge, Skills and Competences (KSC) in FSS on different EQF levels. Those are: **financial intermediation orientation, financial markets/macro economic orientation, compliance orientation, being client centric, risk/return orientation, competitiveness/entrepreneurship orientation**. The differentiators are embedded in the LOs within all 3 categories of KSC; very often they are integrated and merged together in a single LO.

The Translator could not cover the complete range of all possible learning outcomes that are available and needed in the sector. This would mean to create an endless and too detailed a list. Instead, **a good balance had to be found between being specific enough to be sectoral and still general enough for the Translator to capture the diversity of FSS qualifications and to be manageable**. Therefore, when reading through the LOs of the Translator, one has to accept that some interpretation would still be needed in order to relate a LO to an individual qualification. However, the partnership is convinced that with the Translator the interpretation becomes much easier.

A selection of verbs are used to better describe Knowledge, Skills and Competences and to differentiate between knowledge and understanding as defined in EQF and the other types of cognitive skills which are predominantly the skills for FSS (e.g. application, analysis, synthesis, evaluation/creation). Following Blooms taxonomy, knowledge and understanding is described through a selection of verbs to indicate how the knowledge and understanding can or should be manifested, e.g. explain, identify, describe, illustrate, give an example, list, recognise, distinguish. Other verbs are used to capture skills and competences, i.e. apply, solve, interpret, advise, evaluate, recommend. It is important to underline that there is **a strong focus on cognitive skills** among the skills relevant for FSS rather than manual dexterity as in certain manufacturing processes.

Given that EQF is a qualification framework, so is the Translator. **It is not meant for occupational profiles or job descriptions** as such. However, learning outcomes needed for a job might be similar to those composing a qualification. It may happen that a qualification is equivalent to a professional role. Nevertheless, jobs are predominantly more complex, diversified and also more dynamic among organisations than qualifications. Qualifications tend to be longer lived and more standardised in nature. However, the more qualifications will become competence based, the more convergence we should see between jobs and qualifications.

EQF FSS TRANSLATOR

| Level 3 | Knowledge | Skills | Competence |
|---------------------------|---|--|--|
| EQF Descriptor | Knowledge of facts, principles, processes and general concepts, in a field of work or study | A range of cognitive and practical skills required to accomplish tasks and solve problems by selecting and applying basic methods, tools, materials and information | Take responsibility for completion of tasks in work or study Adapt own behaviour to circumstances in solving problems |
| FSS EQF Translator | <ul style="list-style-type: none"> • Lists the basic features of the current macro and microeconomic situation • Explains the basic functions of banks and financial institutions in financial intermediation process • Identifies the key elements of the regulatory, legal and compliance framework applicable to FSS, including code of ethics. • Lists the specific regulations and procedures which are relevant to his/her job • Describes the basic features and functions of core financial products and services • Defines what risk is in a financial institution and explains how it influences his/her performance on the job | <ul style="list-style-type: none"> • Finds and applies legal, regulatory and micro and macroeconomic information based on precise instruction • Delivers financial products and services and/or supportive technical services according to relevant legal, regulatory and procedural provisions • Assesses clients' basic financial needs and relate them to banking and financial products and services • Reconcile the risk profile of a client with the products and services offered to the client | <ul style="list-style-type: none"> • Complies with adopted rules and procedures • Adapts professional behaviour to the requirements of FS in a supervised context and to the code of ethics • Is client centric in his/her professional role, oriented to the quality improvement of services provided to the client • Acts, respecting the risk profile of the clients and understanding of how his/her performance is influenced by risk factors |

Quality Development Roadmap for Training in the Financial Services Sector – QUADRO

Project Number: 526749-LLP-1-2012-1-PT-LEONARDO-LMP

| Level 4 | Knowledge | Skills | Competence |
|---------------------------|--|--|--|
| EQF Descriptor | Factual and theoretical knowledge in broad contexts within a field of work or study | A range of cognitive and practical skills required to generate solutions to specific problems in a field of work or study | Exercise self-management within the guidelines of work or study contexts that are usually predictable, but are subject to change Supervise the routine work of others, taking some responsibility for the evaluation and improvement of work or study activities |
| FSS EQF Translator | <ul style="list-style-type: none"> Explains the key drivers, stakeholders and structures of the economy and the role of the financial intermediation process Explains the FS core business processes, practices and the related regulatory, legal and corporate governance requirements Describes in plain language a broad range of banking and financial products and services offered by own/other financial organisations and their benefits to the clients, as the basis for financial sales and advice processes Explains customer segmentation: types of clients and their resultant financial needs Identifies fundamental risks, risk management principles and processes and explains his/her position within the process | <ul style="list-style-type: none"> Performs a needs analysis of clients, putting it against the macro and microeconomic situation, and translates those into an offer of adequate banking and financial products and services Analyses key factors influencing performance of a financial product Generates and communicates procedure-driven solutions, compliant with risk profile established by the organisation and the legal and regulatory requirements binding for the organisation | <ul style="list-style-type: none"> Demonstrates autonomy in applying relevant financial markets information to his/her own specific role Takes responsibility for being ethical, compliant and effective within the boundaries of his/her job, working independently or within a team Takes responsibility, within regulatory requirements, to meet clients' financial needs, without direct supervision Takes responsibility to capture problems, inefficiencies and opportunities for quality improvement within his/her work environment/team and to come up with appropriate solutions Performs well as a team member |

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| Level 5 | Knowledge | Skills | Competence |
|--------------------|---|---|---|
| EQF Descriptor | Comprehensive, specialised, factual and theoretical knowledge within a field of work or study and an awareness of the boundaries of that knowledge | A comprehensive range of cognitive and practical skills required to develop creative solutions to abstract problems | Exercise management and supervision in contexts of work or study activities where there is unpredictable change Review and develop performance of self and others |
| FSS EQF Translator | <ul style="list-style-type: none"> • Illustrates how the financial intermediation process operates within the economy and identifies the future development trends, using professional terminology • Gives examples of FS business processes and best practices and explains their relevance to his/her role • Identifies and illustrates those laws, regulations and procedures which are relevant to his/her role • Explains valuation principles for a broad range of banking and financial products and services for retail and corporate clients • Explains risks and risk management techniques relevant to a given professional role, using professional terminology • Recognises situations when to seek supporting information and advice within areas beyond his/her line of specialisation | <ul style="list-style-type: none"> • Analyses complex sets of indicators and interprets scenarios that affect his/her propositions for the clients and the organisation • Identifies and critically analyses information and recommends how to act in accordance with legal principles and regulatory requirements. • Advises High Net Worth/Corporate clients on best integrated solutions to their financial needs, using a wide range of financial products and financial structures • Executes valuation and analyses performance of banking and financial products within his/her domain of specialisation, including their exposure to a variety of market factors • Develops new propositions for clients and the organisation which respect the agreed boundaries of risk and compliance • Seeks and obtains new external information and specialised advice, when needed • Communicates his/her knowledge in an effective way, using easy to understand though technical language | <ul style="list-style-type: none"> • Takes initiative and responsibility for being on track with the changing macro and micro environment • Is committed to assure regulatory compliance within his/her scope of accountability and the team • Takes initiative, within the limits of regulatory framework, to meet clients' most complex financial needs • Is committed to deliver the agreed risk/return ratio in the organisation, independently or within a team • Promotes ethical behaviour among his/her team as a foundation for an organisation based on public trust |

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| Level 6 | Knowledge | Skills | Competence |
|---------------------------|--|--|--|
| EQF Descriptor | Advanced knowledge of a field of work or study, involving a critical understanding of theories and principles | Advanced skills, demonstrating mastery and innovation, required to solve complex and unpredictable problems in a specialised field of work or study | Manage complex technical or professional activities or projects, taking responsibility for decision-making in unpredictable work or study contexts Take responsibility for managing professional development of individuals and groups |
| FSS EQF Translator | <ul style="list-style-type: none"> Explains in depth how the economy, the FSS and financial institutions operate, from a business perspective Interprets advanced issues related to the legal and regulatory environment, risk management and macro economic factors that together affect business activities and processes in a bank and a financial institution Recognises the interdependencies between local business environment, international markets and global economy and describes future macro economic trends Explains in detail the valuation process of banking and financial products within his/her domain of specialisation Illustrates how ICT can improve the delivery of financial services for the client | <ul style="list-style-type: none"> Anticipates upcoming changes to regulatory environment relevant to his/her role so that adequate policies and objectives are initiated and appropriate solutions, sometimes innovative, are ready when needed Forecasts/analyses forecasts of key economic variables, in order to build and/or rebalance the client's portfolio Demonstrates proficiency and innovation required to develop new formats for solutions to clients' complex financial needs or to develop procedures, tools and systems that help the organisation come up with good solutions for the client Analyses if a specific financial product, which is in his/her domain, has been properly priced and can recommend an arbitrage opportunity Taking advantage of ICT technologies, designs and proposes innovative solutions to come up with products and services that optimise the risk/return ratio for the organisation | <ul style="list-style-type: none"> Takes responsibility and initiative to cope with complex, unpredictable regulatory change, including preparatory work to facilitate senior management decisions Manages others/teams to be compliant and act ethically Takes initiative to propose improvements and recommends decisions in risk/return structures for products, services and operations Leads people and the teams to grow professionally to enhance their service in the best interest of the clients |

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| Level 7 | Knowledge | Skills | Competence |
|---------------------------|--|---|---|
| EQF Descriptor | <p>Highly specialised some of which is at the forefront of knowledge in a field of work or study as the basis for original thinking and/or research.</p> <p>Critical awareness of knowledge issues in a field and at the interface between different fields</p> | <p>Specialised problem-solving skills required in research and/or innovation in order to develop new knowledge and procedures and to integrate knowledge from different fields</p> | <p>Manage and transform work or study contexts that are complex, unpredictable and require new strategic approaches</p> <p>Take responsibility for contributing to professional knowledge and practice and/or for reviewing the strategic performance of teams.</p> |
| FSS EQF Translator | <ul style="list-style-type: none"> • Critically explains highly complex interrelations among a variety of factors that determine the macroeconomic environment in which financial institutions operate • Explains in detail the legal and regulatory environment and the risk management factors that affect business activities and processes in a bank and a financial institution • Identifies the very new and upcoming trends and developments influencing the business of financial institutions • Describes in depth the core business areas of a financial institution, indicating opportunities for expansion or new modes of development • Integrates knowledge of all segments of financial services as a basis of original thinking and evolution of the sector | <ul style="list-style-type: none"> • Is able to analyse and evaluate in depth the macro and micro economic, regulatory and business environment of a financial institution so that original and creative solutions are available for the organisation and the clients, when needed • Identifies, conceptualises and develops new formats for solutions to the most complex financial needs of different client segments or to develop procedures, tools and systems that help the organisation come up with excellent solutions for the client, which are at the forefront of the industry • Employs originality and creativity in designing and proposing innovative solutions to come up with products and services that optimise the risk/return ratio for the organisation | <ul style="list-style-type: none"> • Exercises very substantial autonomy and initiative to cope with highly complex, unpredictable regulatory change • Deals with complex ethical and professional issues and makes informed and expert judgements on these issues • Takes leadership in the strategic issues of managing, operating and transforming a financial institution • Has a strong orientation to utilise any market opportunities to produce competitive advantage for the organisation and its clients • Takes high level responsibility to improve the risk/return structures for products, services and operations in the organisation • Provides leadership and empowers people and organisations to be professional, act with integrity and be trusted advisors to their customers and other stakeholders |

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