

**CERTIFICATE IN INVESTOR RELATIONS –
ANNOTATED SYLLABUS
AIM OF THE EXAMINATION**

To ensure that the holder of the qualification has an appropriate level of factual knowledge on the regulatory requirements and the financial and market environment within which the investor relations practitioner operates.

OBJECTIVES OF THE EXAMINATION

On completion the candidate will:

1. Know the main regulations governing the structure, governance and behaviour of listed companies
2. Know the types of shares and shareholders
3. Know the role of stock exchanges
4. Know the regulations governing the conduct of investor relations and in particular the disclosure of information
5. Know the legal requirements regarding the financial calendar
6. Be familiar with the fundamentals of accounting, ratios, valuation and investment analysis
7. Be aware of the requirements upon UK listed companies of the conduct of investor relations in major overseas markets
8. Have an awareness of the conduct of investor relations appropriate to a practitioner

LEVEL OF KNOWLEDGE EXPECTED IN EACH AREA

The level of knowledge expected in different parts of the syllabus is set out in the italicised notes together with suggested sources of information. This is for candidates guidance only and should not be viewed as complete or prescriptive.

MAIN SUBJECT AREAS

Subject areas refer to the UK except where otherwise indicated.

1. Introduction to IR

- 1.1 What is IR
- 1.2 Aims and objectives
- 1.3 Why companies need IR
- 1.4 Who does IR

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2. Companies & Regulation

- 2.1. Limited Companies
- 2.2. Companies Act 2006 & commencement timetable
 - 2.2 (i) Types of company

- 2.2 (ii) Formation of a limited company
- 2.2 (iii) The Constitution of a company
- 2.2 (iv) Company & Business names
- 2.2 (v) Members
- 2.2 (vi) Share Capital
 - a. Terminology & meanings
 - b. Maintenance and alteration
 - c. Acquisition of own shares
- 2.2(vii) Meetings and resolutions
 - a. General meetings
 - b. Resolutions
 - c. Notice of meetings
 - d. Voting at meetings
 - e. Annual General Meetings (AGM) of public company
- 2.2 (viii) Directors
 - a. Definition
 - b. Appointment
 - c. Register of directors
 - d. Removal of directors
 - e. Directors residential addresses
 - f. Employees
 - g. Minutes of directors meetings
 - h. Company secretary
 - i. Directors duties
 - j. Transactions with directors requiring members approval
 - k. Directors service contracts
- 2.2 (ix) Auditors
 - a. Appointment
 - b. Remuneration
 - c. Qualifications & independence
 - d. Removal or resignation
 - e. Duties
 - f. Rights
 - g. Limitation of liability
- 2.3 Statutory Reporting & Financial reporting calendar
 - 2.3 (i) Companies Act 2006 requirements
 - 2.3 (ii) Requirements of The Listing Rules
 - a. Preliminary results
 - b. Dividend payments
 - c. Half yearly report or interim statement
 - d. Interim management statements and quarterly reports
 - e. Annual financial report
 - 2.3 (iii) Company Communications Provisions
 - 2.3 (iv) Identification of Shareholdings s793
- 2.4 AIM Companies
 - 2.4 (i) Preliminary statement
 - 2.4 (ii) Half yearly report
 - 2.4 (iii) Annual report and accounts

This section requires a broad understanding of the fundamentals of UK company law and practice. It also requires candidates to be familiar with the rules and

processes surrounding some of the major Investor Relations events of the year. Key areas are the legal and regulatory requirements for processes, information and timing.

3. Financial Markets

- 3.1 How the City works
- 3.2 How do stock markets work
 - 3.2 (i) Exchanges
 - 3.2 (ii) Functions
 - 3.2 (iii) Major Centres and Features
 - 3.2 (iv) Markets
 - 3.2 (v) Indices
- 3.3 Investors
 - 3.3 (i) Institutional Investors
 - a. Types
 - b. Investment Styles

Candidates will be expected to display a good working knowledge of the features of investment and the participating bodies. Primary focus will be upon the UK with a lesser level of knowledge required of overseas practice, in proportion to the importance of each area to investor relations in the UK.

4. Regulatory environment

- 4.1 Introduction
- 4.2 Criminal Justice Act 1993
- 4.3 Financial Services and Markets Act (FSMA) 2000
- 4.4 Listing Rules
 - 4.4 (i) Listing principles
 - 4.4 (ii) Sponsors
 - 4.4 (iii) Transactions
 - 4.4 (iv) Continuing Obligations
- 4.5 The Disclosure and Transparency Rules
 - 4.5 (i) When to disclose inside information
 - 4.5 (ii) Breach of confidentiality
 - 4.5 (iii) Dealing with rumours
 - 4.5 (iv) Insider lists
 - 4.5 (v) Disclosure of share dealings
 - 4.5 (vi) Major Shareholdings Notification Rules
 - 4.5 (vii) Continuing Obligations and Access to Information
- 4.6 Periodic Financial Reporting
 - 4.6 (i) Annual Financial Report
 - 4.6 (ii) Key Performance Indicators
 - 4.6 (iii) Responsibility statements
 - 4.6 (iv) Half-Yearly Financial Reports
 - 4.6 (v) Interim management statements
- 4.7 Corporate Governance
 - 4.7 (i) The Combined Code
 - a. The new Combined Code
 - 4.7 (ii) QCA Corporate Governance Guidelines for AIM Companies
- 4.8 Takeover Panel
 - 4.8 (i) Introduction

- 4.8 (ii) Membership of the Panel
- 4.8 (iii) Function of the Panel
- 4.8 (iv) The City Code on Takeovers and Mergers
 - a. What determines when to apply the City Code
 - b. Principles of the Code
 - c. The Rules of the City Code
- 4.9 Regulatory Announcements
 - 4.9 (i) Categories of Announcements
 - 4.9 (ii) Primary Information Providers
 - 4.9 (iii) Distribution Process
 - 4.9 (iv) Monitoring
 - 4.9 (v) Secondary Information Providers
- 4.10 The AIM Rules
- 4.11 Summary of US Regulation
 - 4.11 (i) US Securities and Exchange Commission (SEC)
 - 4.11 (ii) Laws that govern the US securities industry
 - 4.11 (iii) Regulation Fair Disclosure (Regulation FD)
 - 4.11 (iv) Sarbanes-Oxley Act 2002

Candidates will be expected to display a good working knowledge of the system for regulatory announcements.

5. Accounting Valuation and Investment Principles

- 5.1 Accounting and Book Keeping
- 5.2 Financial Statements
 - 5.2 (i) Balance Sheet
 - 5.2 (ii) Income Statement or Profit & Loss
 - 5.2 (iii) Cash Flow Statements
- 5.3 Annual report and accounts
 - 5.3 (i) Accounting
 - 5.3 (ii) Basic Book keeping Principles
 - 5.3 (iii) Group Accounts
- 5.4 Key Measurements and Ratios
 - 5.4 (i) Liquidity Ratios
 - 5.4 (ii) Activity Ratios
 - 5.4 (iii) Financial Structure
 - 5.4 (iv) Profitability and Operating Ratios
 - 5.4 (v) Investment Ratios
- 5.5 Valuation Methodologies
 - 5.5 (i) Price-earnings (P/E ratio, Price to Book, Economic Value Added, Dividend Discount Model)
- 5.6 Portfolio Theory
 - 5.6 (i) Key concept of portfolio risk
- 5.7 Measures

Focus will be upon the UK with a very much lower lesser level of knowledge required of overseas practice, in proportion to the importance of each area to investor relations in the UK. Candidates will be expected to display a working knowledge of the measurements and ratios in common use and be able to perform some simple calculations.

6. Practical Experience

6.1 Introduction – The Practice of IR

6.2 The IR Programme and Typical annual cycle

6.3 Methods of Information Dissemination

6.4 Managing Day to Day Relationships with Analysts and Investors

6.5 Shareholder Analysis and Targeting

6.6 Disclosure and Continuing Obligations

6.7 Other Professional Bodies

Candidates will be expected to demonstrate a working knowledge of the major processes by which investor relations is performed.