

*Your Portfolio 101 presents*

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# In the Jungle of Finance Professional Certifications

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## **In the Jungle of Finance Professional Certifications.**

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In time of crisis, one is looking for an edge over competition.

During the last three years, the number of candidates registering for various certifications has exploded.

If you are planning to enter the finance industry or try to give a boost to your career, this article will help you to choose the right designation.

For people not familiar with finance professional designations, before registering, generally you have some requirements.

These requirements are various, but it is usually having a bachelor and few years of professional experience in a finance related field.

Once you pass the exams and the other requirements are fulfilled, you are able to use the certification.

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Finally, a lot of programs include a continuing education program. In order to keep your certification, you must continue to learn by reading or/and participate in forums for example.

This report will help you to answer various questions, so you will be able to compare between various financial certifications.

How much does it cost?

How much time should I allocate to my studies?

When can I take the exams?

What about the exam format?

Which subjects will be tested on the exams?

Please note that a lot of other financial designations do exist, the ones presented in this guide are the most prominent and the most internationally recognized.

CFP and CPA designations were formally U.S certifications. Both designations are now proposed at an international level.

*CFP and CPA are now  
international certifications*

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## CFA: Certified Financial Analyst

**Difficulty:** ★ ★ ★

**Creation date:** 1963

**Description:** The CFA program is focused on investment management and financial analysis fields.

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*With the CPA and CFP diplomas, CFA is one of the most recognized certification.*

**Exam details:**

3 levels.

6 hours exam, multichoice questions for level 1 and level 2.

Small essays for level 3 exam.

**Exams date:**

June for Level 1,2 and 3

December for level 1

Subjects tested on the exams:

Topic Area	Level I	Level II	Level III
Ethical and Professional Standards	15	10	10
Quantitative Methods	12	5–10	0
Economics	10	5–10	0
Financial Reporting and Analysis	20	15–25	0
Corporate Finance	8	5–15	0
Investment Tools	50	30–60	0
Equity Investments	10	20–30	5–15
Fixed Income Investments	12	5–15	10–20
Derivatives	5	5–15	5–15
Alternative Investments	3	5–15	5–15
Asset Valuation	30	35–75	35–45
Portfolio Management and Wealth Planning	5	5–15	45–55

**Exam cost:** 2'370 USD

**Average study time:** 3\*300 hours

**Last passing rates:**

Level I: 39% Level II: 43% Level III: 51%

**Number of candidates:**

144'900 (June 2011).

**Number of Charter holders:**

More than 90'000 over 130 countries.

**Membership requirements:**

A candidate must have four years of qualified investment work experience, pass three CFA Program exam levels, and adhere to our Code of Ethics and Standards of Professional Conduct.

**Membership cost (per year):**

Around 350 USD.

**Memberships' benefits:**

CFA magazine, Financial Analyst Journal, CFA job line, webcast.

**Notes:**

On average, it takes four years to complete the program.

Six months of preparation are needed for each exam.

Less than 20 % of candidates who begin this certification reach the end.

**Website:**

**<https://www.cfainstitute.org>**

## CIPM: Certificate in Investment Performance Measurement

**Difficulty:** ★ ★

**Creation date:** 2005

**Description:** The Principles exam emphasizes investment tools and inputs necessary for performance evaluation and the provisions of the GIPS standards.



**Exam details:**

Two computer-based exams: Principles and Expert.

**Exam dates:**

April and October.

**Exam formats:**

CIPM Principles exam: 100 multiple-choice questions.

CIPM Expert exam: 80 items set questions (20 scenarios followed by four multiple choice questions each).

Subjects tested on the exams:

Major Topic Area	Principles Level	Expert Level
Ethical and Professional Standards	15%	15%
Performance Evaluation	45%	50%
The Global Investment Performance Standards	40%	35%
Total	100%	100%

**Exam cost:**

975 USD \*2 (principles and expert).

**Average study time:**

Principles - 95 hours Expert - 107 hours

**Last passing rates:**

43% expert exam.

**Number of candidates:**

225

**Number of Charter holders:**

806

**Membership requirements:**

Two years of professional experience in one or more positions substantially entailing performance-related activities.

**Membership cost:**

275 USD

**Membership benefits:**

CFA magazine, Financial analyst journal, CFA job line, webcast.

**Website:**

<https://www.cfainstitute.org>



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## FRM: Financial Risk Manager



**Difficulty:** ★ ★

**Creation date:** 1997

**Description:**

The FRM program is rigorous and is designed to measure a candidate's grasp of the latest technical and industry knowledge of financial risk management.

**Exam details:**

2 levels exams.

The FRM exam part I will have 100 multiple-choice questions. The FRM exam part II will have 80 multiple-choice questions.

**Exam dates:**

May and November

Subjects tested on the exams:

LEVEL 1		LEVEL 2	
Topic	Weight	Topic	Weight
Foundations of Risk Management	20%	Market Risk Measurement and Mgnt	25%
Quantitative Analysis	20%	Credit Risk Measurement and Mgnt	25%
Financial markets and Products	30%	Operational and Integrated Risk Mgnt	25%
Valuation and Risk models	30%	Risk Management and Investment Mgnt	15%
		Current Issues in Financial markets	10%

**Exam cost:**

1000 USD

**Average study time:**

250 hours

**Last passing rates:**

53.1% level 1, and 61.6% level 2

**Number of candidates:**

23'324

**Number of Charter holders:**

Over 24,000 FRM holders in 90 countries.

**Membership requirements:**

A passing score on both Part I and Part II of the FRM Examination, A minimum of two years professional full-time work experience in the area of financial risk management or another related field.

**Membership cost:**

150 USD

**Membership benefits:**

Risk professional magazine, webcasts.

**Website:**

<http://www.garp.org>

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## ERP: Energy Risk Professional

**Difficulty:** ★ ★

**Creation date:** 2009

**Description:**

The Energy Risk Professional (ERP®) program is designed to measure a candidate's knowledge of the major energy markets and gauge their ability to manage the physical and financial risks inherent in the complex world of energy.

**Exam details:**

One exam.

180 multiple-choice questions.

**Exam dates:**

May and November.

Subjects tested on the exams:

<b>Physical Energy Markets</b>	
Petroleum	15
Gas	10
Electricity Production and Distribution	10
Renewables and Carbon Emissions	5
<b>Financial Markets</b>	
Financial Products and Valuation	20
Modeling and Valuing Energy	15
Transactions Risk Management Techniques	15
<b>Current Issues in Energy</b>	10
Exam Total	100

**Exam cost:**

750 USD

**Average study time:**

300/400 hours.

**Last passing rates:**

63%

**Number of candidates:**

225

**Number of Charter holders:**

N/A

**Membership requirements:**

A passing score on the ERP Examination Active Individual membership in the Global Association of Risk Professionals A minimum of two years professional full-time work experience in the area of financial or energy risk management or another related field.

**Membership cost:**

150 USD

**Membership benefits:**

Risk professional magazine, webcasts.

**Website:**

<http://www.garp.org>



**PRM: Professional Risk Manager****Difficulty:** ★ ★**Creation date:** 2002**Description:**

The Professional Risk Manager (PRM™) designation is an independent validation of skills and commitment to the highest standard of professionalism, integrity, and best practices within the risk management profession.

**Exam details:**

4 exams. Exams are computer-based and the questions are all multiple choice. The complete PRM exam consists of 120 questions.

**Exam dates:**

Every business day in test centers.

Subjects tested on the exams:

Exam I:	Finance Theory, Financial Instruments and Markets (120 minutes)
Exam II:	Mathematical Foundations of Risk Measurement (120 minutes)
Exam III:	Risk Management Practices (90 minutes)
Exam IV:	Case Studies, PRMIA Standards of Best Practice, Conduct and Ethics, Bylaws (60 minutes)

**Exam cost:**

500 USD

**Average study time:**

N/A

**Last passing rates:**

50%

**Number of candidates:**

N/A

**Number of Charter holders:**

70'318

**Membership requirements:**

Candidates are required to pass four exams to achieve the PRM Designation.

**Membership cost:**

125 USD

**Membership benefits:**

Journal of Risk Management in Financial Institutions, discount, webcasts, publications.

**Website:**

<http://www.prmia.org/>



**CAIA: Chartered Alternative Investment Analyst**

**Difficulty:** ★ ★

**Creation date:** 2003

**Description:**

The CAIA designation demonstrates mastery of alternative investment concepts, tools, and practices and promotes adherence to the highest standards of professional conduct.

**Exam details:**

2 level exams.

5 hours exam computer based.

**Exam dates:**

March and September

Subjects tested on the exams:

Hedge Funds  
Commodities and Managed Futures  
Private Equity  
Real Assets  
Credit Derivatives and Structured Products  
Professional Standards and Ethics



**Exam cost:**

2'450 USD

**Average study time:**

2\* 200 hours.

**Last passing rates:**

71% for level 1 and 58% for level 2

**Number of candidates:**

6'000

**Number of Charter holders:**

5'000

**Membership requirements:**

Hold a U.S. bachelor's degree or the equivalent, and have more than one year of professional experience, or alternatively have at least four years of professional experience. Submit payment for the annual CAIA Association membership fee. Agree on an annual basis to abide by the Member Agreement.

**Membership cost:**

250 USD

**Membership benefits:**

Various discounts, job board, publications.

**Website:**

<http://caia.org/>



## CIIA: Certified International Investment Analyst

**Difficulty:** ★ ★ ★

**Creation date:** 2000

**Description:**

The CIIA® is an internationally recognized advanced professional qualification for individuals working in the finance and investment industry.

**Exam details:**

2 level exams + a regional exam.  
Multilingual exams.

**Exam formats:**

Common knowledge exams  
Foundation level:  
Multiple choice and short essay questions.

**Final level:**

Full and minicase study questions and in depth essay

**Exam dates:**

March and September

Subjects tested on the exams:

Corporate Finance	10%
Economics	10%
Financial Accounting and Financial Statement Analysis	15%
Fixed Income Valuation and Analysis	15%
Equity Valuation and Analysis	15%
Derivative Valuation and Analysis	15%
Portfolio Management	20%
Total	100%



**Exam cost:**

300 USD

**Average study time:**

500 hours.

**Last passing rates:**

Level 1:63.96%; level 2: 66.72%

**Number of candidates:**

N/A

**Number of Charter holders:**

60'000

**Membership requirements:**

Pass two levels of common knowledge exams and national / regional exams, be a member of a participating national / regional society have three years experience working in the domain of financial analysis, portfolio management and/or investment in general.

**Memberships cost:**

N/A

**Membership benefits:**

Discount, job board, publications, seminars.

**Website:**

<http://www.aciia.org>

**CFP: Certified financial planner****Difficulty:** ★ ★**Creation date:** 1973**Description:**

Financial planning is the process of meeting your life goals through the proper management of your finances. Life goals can include buying a home, saving for your child's education or planning for retirement.

**Exam details:**

10-hour exam is divided into three separate sessions.

**Exam dates:**

November, March and July.

Subjects tested on the exams:

General Principles	8%
Insurance & Risk Management	10%
Employee Benefits	8%
Investment Planning	19%
Income Tax Planning	17%
Retirement Planning	18%
Estate Planning	15%

**Exam cost:**

595 USD

**Average study time:**

300 hours.

**Last passing rates:**

56.5%

**Number of candidates:**

2'500

**Number of Charter holders:**

126'000

**Membership requirements:**

Bachelor's Degree Requirement. Pass the CFP® Certification Examination. At least three years of qualifying full-time work experience are required for certification.

**Membership cost:**

325 USD

**Membership benefits:**

**Website:**

<http://www.cfp.net/>

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## CPA: Certified Public Accountant

**Difficulty:** ★ ★ ★

**Creation date:**

AICPA was founded in 1887

**Description:**

Certified Public Accountant (CPA) is the statutory title of qualified accountants in the United States (specialized in Tax and accounting).

**Exam details:**

Computer based format, 14 hours of testing.

**Exam dates:**

Testing is available in January & February; April & May; July & August; and October & November. Testing is not available in: March, June, September, and December.

Subjects tested on the exams:

<b>Auditing and attestation</b>	<b>Financial accounting and reporting</b>
12-16% engagement acceptance and planning	17-23% concepts
16-20% entity and internal control	27-33% accounts and disclosures
16-20% procedures and evidence	27-33% transactions
16-20% reports	8-12% governmental
12-16% accounting and review services	8-12% not-for-profits
16-20% professional responsibilities	

Regulation	Business environment and concepts
15-19% ethical and legal responsibilities	16-20% corporate governance
17-21% business law	16-20% economics
11-15% federal tax process	19-23% finance
12-16% gain and loss taxation	15-19% IT
13-19% individual tax	10-14% strategic planning
18-24% taxation of entities	12-16% operations management

**Exam cost:**

930 USD

**Average study time:**

4\*100 hours.

**Last passing rates:**

Around 20% (all exam cumulated).

**Number of candidates:**

50'000

**Number of Charter holders:**

600'000

**Membership requirements:**

Completing a program of study in accounting at a college or university, passing the Uniform CPA Exam, and obtaining a specific amount of professional work experience in public accounting (the required amount and type of experience varies according to licensing jurisdiction).

**Membership cost:**

215 USD

**Membership benefits:**

Journal of accountancy, discounts, networking.

**Website:**<http://www.aicpa.org>

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Your Portfolio 101 is an entirely free website dedicated to investments.

Our goal is to provide quality resources, articles, books reviews and investment research for free.

**<http://yourportfolio101.com>**

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