

Syllabus and study guide

Corporate Finance Professional (SCF)

September 2027 to June 2028

Designed to help with planning study and to provide detailed information on what could be assessed in any examination session.

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1. Overall aim of the syllabus

The overall aim of the syllabus is to enable the application of relevant technical skills, advisory capabilities and professional judgement to assess complex strategic corporate finance issues and advise management how to maximise the value of an organisation.

2. Introduction to the syllabus

The syllabus for Corporate Finance Professional (SCF), starts by introducing candidates to three key areas i.e. risk, valuation and financial strategy. These are fundamental to a corporate finance professional because they collectively determine how value is created, measured and sustained within an organisation. Since corporate finance is fundamentally about increasing shareholder value, these three areas form the core framework for achieving that objective and therefore underpin much of the rest of the syllabus.

The syllabus then focuses on the corporate finance environment and dividend policy. Organisations operate in a global environment which will directly affect cash flow, risk and the cost of capital. This theme is developed in the context of the main international trade and finance agreements, the macroeconomic environment and any regulatory considerations that may impact an organisation's strategic decision making. This is further developed into a consideration of the impact of environmental, social and governance matters and associated ethical issues.

Next, the syllabus moves on to advanced investment appraisal, building on the techniques covered in the E4 Finance and Investment syllabus. New appraisal techniques are also introduced in this syllabus, such as the application of option pricing theory in investment decisions and the adjusted present value method, which can be highly effective when there is a significant change in capital structure.

The syllabus then addresses corporate transformation, encompassing mergers and acquisitions, financial reconstruction and business reorganisation. Corporate transformation is an important aspect of real-world corporate strategy because it represents some of the most significant, high-impact decisions an organisation can make. Well-executed acquisitions, for example, can create significant value and can have a dramatic impact on the organisation's risk profile. A corporate finance professional plays a significant role in this process and if a corporate transformation is to be value-creating, it is crucial that the financial and strategic benefits can be assessed and evaluated, alongside any drawbacks.

The final technical section of the syllabus builds on the risk management techniques introduced in the E4 Finance and Investment syllabus so that candidates develop a practical and analytical understanding of the techniques that can be used to manage foreign exchange risk and interest rate risk at a strategic level. These techniques are important because they can directly affect organisation value, financial stability and strategic decision making.

The professional skills section of the syllabus focuses on the range of professional skills candidates should be expected to demonstrate in the examination.

3. Main capabilities

On successful completion of this course of study, candidates should be able to:

- Advise on how an organisation’s exposure to risk can be incorporated into its investment decisions
- Advise on appropriate valuation methods to support investment and strategic financial decision making
- Advise on an organisation’s financial goals, stakeholder management, the economic and regulatory environment, sustainability agenda and available sources of finance to support strategic financial decisions
- Recommend potential investment decisions and assess the financial and strategic consequences
- Advise on mergers and acquisitions, financial reconstructions and business re-organisations to enhance shareholder value
- Evaluate the role of the treasury function and the operations of the derivatives market
- Advise on risk management techniques and tools to manage foreign exchange and interest rate risk

4. Intellectual levels

The ACCA Qualification syllabus is designed to progressively broaden and deepen the technical knowledge, skills and professional values demonstrated by the candidate on their journey through the qualification.

The specific learning outcomes within the detailed syllabuses and study guides are assessed at one of three intellectual or cognitive levels:

Level 1:	Knowledge and comprehension
Level 2:	Application and analysis
Level 3:	Synthesis and evaluation

Very broadly these intellectual levels relate to the three levels of the ACCA Qualification: Knowledge, Expertise and Strategic Professional.

Each learning outcome included in the detailed study guide is given a 1, 2 or 3 superscript, denoting its intellectual level. This gives an indication of the intellectual depth at which a learning outcome could be assessed within the examination. However, while Level 1 broadly equates with the Knowledge level, Level 2 to the Expertise level and Level 3 to the Strategic Professional level of the ACCA Qualification, some lower-level skills can continue to be assessed as the candidate progresses through each level. This reflects that at each stage of study there will be the requirement to broaden, as well as deepen, capabilities.

5. The syllabus

A Risk, valuation and financial strategy

1. Incorporating risk
2. Valuation
3. Financial strategy

B Corporate finance environment and dividend policy

1. International trade and finance
2. Regulatory considerations
3. Corporate environmental, social and governance (ESG) and ethical issues
4. Dividend policy

C Advanced investment appraisal

1. Discounted cash flow techniques
2. International investment
3. Application of option pricing theory in investment decisions
4. Impact of financing on investment decisions and adjusted present values

D Corporate transformation

1. Acquisitions and mergers
2. Valuation for acquisitions and mergers
3. Regulatory framework and processes
4. Financing acquisitions and mergers
5. Financial reconstruction
6. Business re-organisation

E Treasury and advanced risk management techniques

1. The role of the treasury function in multinationals
2. The use of financial derivatives to hedge against foreign exchange risk
3. The use of financial derivatives to hedge against interest rate risk

F Professional skills

1. Communication
2. Analysis and evaluation
3. Scepticism
4. Commercial acumen

6. Detailed study guide

A Risk, valuation and financial strategy

1. Incorporating risk

- a) Assess the relationship between risk, organisational value and financial strategy.^[2]
- b) Assess an organisation's exposure to business and financial risk including operational, reputational, political, economic, regulatory and fiscal risk.^[3]
- c) Evaluate the cost of capital of an organisation, including the cost of equity and the cost of debt, based on the range of equity and debt sources of finance.^[3]
- d) Evaluate a project-specific cost of equity and discount rate and the impact of the project on the overall cost of capital of an organisation.^[3]
- e) Assess an organisation's exposure to credit risk with reference to the risk assessment models used by the principal credit rating agencies.^[3]
- f) Evaluate an appropriate risk premium for debt and equity using the capital asset pricing model, taking account of the relationship between debt, equity and asset betas.^[3]
- g) Evaluate an organisation's current cost of debt capital using the appropriate term structure of interest rates, the yield curve and credit spreads.^[3]
- h) Assess the impact of economic and other risk exposures in different national markets on the cost of capital.^[3]
- i) Advise the board on the incorporation of risk into their decision making and assess the validity of a discount rate or cost of

capital to establish project or organisational value.^[3]

2. Valuation

- a) Evaluate an organisation's free cash flow and its free cash flow to equity (before and after capital investment).^[3]
- b) Advise on and apply different valuation methods for debt and equity using asset-based, market-based, income-based or cash flow-based models.^[3]
- c) Assess the validity of the assumptions underlying a valuation and advise on the impact of alternative assumptions.^[3]
- d) Evaluate appropriate valuation methods for loss-making divisions or companies.^[3]

3. Financial strategy

- a) Advise an organisation on the setting of financial goals and financial strategies with particular reference to:^[3]
 - (i) the theoretical and practical rationale for the management of risk
 - (ii) investment selection and capital resource allocation
 - (iii) minimising the cost of capital
 - (iv) distribution and retention policy
 - (v) communicating financial policy and corporate goals to internal and external stakeholders
 - (vi) financial planning and control
- b) Recommend strategies for the management of the financial resources of the organisation such that they are utilised in an efficient, effective and transparent way.^[3]
- c) Recommend financial strategies for the achievement of an organisation's overall strategy.^[3]
- d) Assess the potential for agency issues and/or stakeholder conflicts and recommend methods to deal with them.^[3]

- e) Advise on an organisational framework for risk management which can be used to evaluate and prioritise different risks and compare and contrast risk mitigation, hedging and diversification strategies.^[3]
- f) Assess and advise on the impact of investment and financing strategies and decisions on the organisation's stakeholders.^[3]
- g) Recommend the optimum capital mix and structure within a specified business context.^[3]
- h) Assess the appropriateness of the sources of finance available to an organisation, including equity, debt, hybrids, lease finance, green finance, venture capital, business angel finance, private equity, asset securitisation and sale, Islamic finance and security token offerings.^[3]
- i) Assess the impact of a financial strategy on the profitability, financial position, financial risk, cost of capital and the value of an organisation.^[3]
- j) Assess organisational performance using methods such as ratios and trends.^[3]
- k) Advise on the use of alternative methods as a way of obtaining a stock market listing; including special purpose acquisition companies (SPACs), direct listings, Dutch auctions and reverse takeovers.^[3]
- l) Advise on the impact of behavioural finance on financial strategies/securities prices and why they may not follow the conventional financial theories.^[3]

B Corporate finance environment and dividend policy

1. International trade and finance

- a) Assess the strategic implications for an organisation of the major trade agreements, common markets and barriers to trade based on the theory and practice of free trade.^[3]
- b) Assess how the actions of the International Monetary Fund (IMF), World Bank and central banks can impact a multinational organisation.^[2]
- c) Assess the impact of the macroeconomic environment upon an organisation and advise on appropriate responses to new developments.^[3]

2. Regulatory considerations

- a) Advise on corporate finance issues for an organisation, taking into account compliance with national regulatory requirements, including money laundering regulations.^[2]
- b) Assess the impact of national limitations on remittances and transfer pricing.^[3]
- c) Evaluate the significance of exchange controls for a given investment decision and recommend strategies for dealing with restricted remittances.^[3]

3. Corporate environmental, social and governance (ESG) and ethical issues

- a) Recommend an ethical and governance approach for the development of an organisation's financial management policies, which is grounded in the highest standards of probity and is fully aligned with the ethical principles of the Association.^[3]
- b) Assess an organisation's commitment to ESG criteria when undertaking business, financial and investment decisions and recommend how conflicts between the criteria may be resolved.^[3]
- c) Assess the impact on the physical environment and the sustainability of

natural resources arising from alternative organisational business, financial and investment decisions.^[3]

- d) Assess how an organisation manages its stakeholder groups as part of its social responsibilities.^[3]
- e) Advise on the role of green finance and climate finance for organisations pursuing an environmental/sustainable agenda.^[3]

4. Dividend policy

- a) Evaluate an organisation's dividend capacity and its policy given the:^[3]
 - (i) financial and economic environment
 - (ii) organisation's short and long-term reinvestment strategy
 - (iii) impact of capital reconstruction programmes such as share repurchase agreements and new capital issues on free cash flow to equity
 - (iv) availability and timing of central remittances
 - (v) corporate tax regime within the host jurisdiction
 - (vi) organisational policy on the transfer pricing of goods and services across international borders

- b) Advise, in the context of a specified capital investment programme, on an organisation's current and projected dividend capacity.^[3]

C Advanced investment appraisal

1. Discounted cash flow techniques

- a) Evaluate the potential value added to an organisation arising from a specified capital investment project or portfolio using the net present value (NPV) model, including treatment of:^[3]
 - (i) inflation and specific price variation
 - (ii) taxation, including capital allowances and tax exhaustion

- (iii) capital rationing
(Note: multi-period capital rationing will be limited to advice without calculations)
- (iv) working capital
- (v) probability analysis and sensitivity analysis when adjusting for risk and uncertainty
- (vi) simulation output and the likelihood of project success

- b) Evaluate the value at risk and duration of a project.^[3]
- c) Evaluate the potential economic return using internal rate of return (IRR) and modified internal rate return (MIRR) and advise on a project's return margin.^[3]
- d) Recommend whether a project should be accepted based on investment appraisal outcomes and other factors.^[3]

2. International investment

- a) Evaluate project or organisation free cash flows in any specified currency and evaluate the project's net present value or organisation value under differing exchange rate, fiscal and transaction cost assumptions.^[3]

3. Application of option pricing theory in investment decisions

- a) Assess the value of real options embedded within an investment project, including options to delay, expand, redeploy and abandon.^[3]
- b) Evaluate embedded real options using the Black-Scholes Option Pricing (BSOP) model.^[3]
- c) Assess, within a specific context, the five principal drivers of option value (value of the underlying asset, exercise price, time to expiry, volatility and the risk-free rate).^[3]

- d) Advise on the underlying assumptions, structure, application and limitations of the BSOP model.^[3]

4. Impact of financing on investment decisions and adjusted present values

- a) Assess an organisation's debt exposure to interest rate changes using the simple Macaulay duration, modified duration and convexity metrics.^[3]
- b) Assess the impact of financing and capital structure upon the organisation with respect to:^[3]
- (i) Modigliani and Miller propositions, before and after tax
 - (ii) static trade-off theory
 - (iii) pecking order propositions
 - (iv) agency effects
- c) Evaluate and apply the adjusted present value to an organisation of a specified capital investment project which entails significant alterations in the financial structure of the organisation, including the fiscal and transactions cost implications.^[3]

D Corporate transformation

1. Acquisitions and mergers

- a) Assess the corporate and competitive nature of a given acquisition proposal.^[3]
- b) Assess the arguments for and against an acquisition proposal.^[3]
- c) Advise upon the criteria for choosing an appropriate target for acquisition.^[3]
- d) Evaluate, from a given context, the potential for synergy separately classified as:^[3]
- (i) revenue synergy
 - (ii) cost synergy
 - (iii) financial synergy

- e) Recommend strategies to overcome the problems associated with the frequent failure of acquisitions.^[3]

2. Valuation for acquisitions and mergers

- a) Assess the changes in the risk profile and risk exposure of both the acquirer and the target entities.^[3]
- b) Evaluate the value created from an acquisition or merger of both quoted and unquoted entities using appropriate valuation methods.^[3]

3. Regulatory framework and processes

- a) Assess the main regulatory issues which are likely to arise in the context of a given acquisition offer.^[3]
- b) Assess whether the offer is likely to be in the shareholders' best interests.^[3]
- c) Advise the directors of a target entity on the most appropriate defence if a specific offer is to be treated as hostile.^[3]

4. Financing acquisitions and mergers

- a) Assess the various sources of financing available for a proposed acquisition.^[3]
- b) Evaluate the advantages and disadvantages of a financial offer for a given acquisition proposal using pure or mixed mode financing and recommend the most appropriate offer to be made.^[3]
- c) Assess the impact of a given financial offer on the reported financial position and performance of the acquirer.^[3]

5. Financial reconstruction

- a) Assess an organisational situation and determine whether a financial reconstruction is an appropriate strategy to resolve that situation.^[3]

- b) Assess the likely response of the capital market and/or individual suppliers of capital to any reconstruction scheme and the impact their response is likely to have upon the value of the organisation.^[3]

6. Business re-organisation

- a) Recommend strategies for unbundling parts of a quoted company.^[3]
- b) Evaluate the advantages and disadvantages of an unbundling.^[3]
- c) Advise on the advantages and disadvantages of a management buy-out and buy-in.^[3]
- d) Advise on the role of private equity and private equity firms on an organisation's financial and corporate strategy, including leveraged buy-outs, management buy-outs and management buy-ins in relation to initial stage and further stage financing.^[3]

E Treasury and advanced risk management techniques

1. The role of the treasury function in multinationals

- a) Advise on the role of the treasury management function within a specific context, relating to:^[3]
- (i) the short-term management of the organisation's financial resources
 - (ii) the longer-term maximisation of corporate value
 - (iii) the management of short-term and longer-term risk exposure
- b) Advise on the operations of the derivatives market within a specific context, relating to:^[3]
- (i) key features, such as standard contracts, tick sizes and margin requirements
 - (ii) the source of basis risk and how it can be minimised

- (iii) risks such as delta and gamma and how these can be managed
- (iv) advantages and disadvantages of exchange-traded versus over-the-counter agreements

2. The use of financial derivatives to hedge against foreign exchange risk

- a) Assess the impact on an organisation of exposure to translation, transaction and economic risks and how these can be managed.^[3]
- b) Evaluate, for a given hedging requirement, which of the following is the most appropriate strategy, given the nature of the underlying position and the risk exposure:^[3]
- (i) the use of the forward exchange market and the creation of a money market hedge
 - (ii) exchange-traded currency futures contracts
 - (iii) currency swaps
 - (iv) currency options

- c) Advise on the use of bilateral and multilateral netting and matching as tools for minimising foreign exchange transaction costs and the management of market barriers to the free movement of capital and other remittances.^[3]

3. The use of financial derivatives to hedge against interest rate risk

- a) Evaluate, for a given hedging requirement, which of the following is the most appropriate strategy, given the nature of the underlying position and the risk exposure:^[3]
- (i) Forward Rate Agreements (FRAs)
 - (ii) interest rate futures
 - (iii) interest rate swaps
 - (iv) interest rate options (including collars)

F Professional skills

1. Communication

- a) Inform concisely, objectively and unambiguously, adopting a suitable style and format, and using appropriate technology.^[3]
- b) Advise using compelling and logical arguments, demonstrating the ability to counter argue where appropriate.^[3]
- c) Clarify and simplify complex issues to convey relevant information in a way which adopts an appropriate tone and is easily understood by and reflects the requirements of the intended audience.^[3]

2. Analysis and evaluation

- a) Investigate relevant information from a range of sources, using appropriate analytical techniques, to estimate outcomes, to assist in decision making and to identify opportunities or solutions.^[3]
- b) Consider information, evidence and findings in a careful and structured way, reflecting on their implications and how they can be used in the interests of the wider organisational goals.^[3]
- c) Assess and apply appropriate judgement when considering organisational issues, problems or when making financial management decisions, taking into account the implications of such decisions on the organisation and those affected.^[3]
- d) Appraise information objectively and logically with a view to balancing the costs, risks, benefits and opportunities before advising on or recommending appropriate solutions or decisions.^[3]

3. Scepticism

- a) Explore the underlying reasons for a given situation, applying the attitude of a questioning mind, beyond what is immediately apparent.^[3]
- b) Question opinions, assertions and assumptions by seeking justifications and obtaining sufficient evidence for either their support and acceptance, or rejection.^[3]
- c) Challenge and critically assess the information presented or decisions made in a professional and courteous manner, where this is clearly justified to be in the wider professional, ethical, organisational or public interest.^[3]

4. Commercial acumen

- a) Demonstrate awareness of organisational and external factors which will affect the financial management decisions of an organisation.^[3]
- b) Recognise key issues in a given scenario and use judgement in proposing and recommending commercially viable solutions.^[3]
- c) Show insight and perception in understanding financial issues and wider organisational matters, demonstrating acumen in arriving at appropriate solutions or outcomes.^[3]

7. Approach to examining the syllabus

The Corporate Finance Professional (SCF) examination builds upon the technical knowledge and skills examined in the E4 Finance and Investment examination. At the Strategic Professional level, candidates will be expected to demonstrate an integrated approach to the subject combined with professional skills to evaluate issues of strategic importance in a way that creates value for shareholders. The study guide specifies the wide range of contextual application which is required to achieve a satisfactory standard at this level.

The syllabus is assessed by a three-hour 15-minute computer-based examination.

The examination will consist of two sections:

Section A will contain one 50-mark question

Section B will contain two 25-mark questions

Section A

Section A of the examination will be a 50-mark scenario-based question based on an organisation in a specific business context. The 50 marks will comprise 40 technical marks and 10 professional skills marks. All four of the professional skills will be examined in Section A.

Candidates should be aware that they will be expected to perform numerical analysis, draw comparisons against relevant information where appropriate and offer alternative, justified recommendations as needed.

Corporate finance professionals are required to look across a range of issues which affect an organisation and its finances. Candidates should therefore expect to see Section A of the examination focus on a range of issues from at least two syllabus sections from A to E. These will vary depending on the business context the question in Section A is based on.

Section A will ask candidates to produce a response in a specific format, for example a report to the board of directors.

Section B

Candidates will be required to answer a further two 25-mark questions in Section B of the examination. Both questions will be scenario based. Each 25-mark question will comprise 20 technical marks and five professional skills marks. Each Section B question will examine a minimum of two professional skills from analysis and evaluation, scepticism and commercial acumen as appropriate to the question.

All topics and syllabus sections will be examinable in either Section A or Section B of the examination, but every examination will have question(s) with a focus on syllabus sections C and E.

8. Guide to ACCA examination structure and delivery mode

The structure of examinations varies, depending on the level of the qualification.

The Strategic Professional level is comprised of Essentials and Options examinations. The Strategic Professional examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

The Essential examinations are S1 Business and Sustainability Reporting and S2 Strategic Business Leader.

The S1 Business and Sustainability Reporting examination contains two sections and is comprised of 80 technical marks and 20 professional ethics and professional skills marks.

S2 Strategic Business Leader is ACCA's case study examination and includes pre-seen information which is released to candidates two weeks prior to the examination sitting. The pre-seen information contains background and contextual details in order for candidates to familiarise themselves with the fictitious organisation which they will be examined on and the industry in which it operates. This examination contains 80 technical marks and 20 professional skills marks.

All Options examinations have two sections and contain a total of 80 technical marks and 20 professional skills marks.

All Strategic Professional examinations are assessed by three-hour 15-minute computer-based examinations. ACCA will provide permitted reference materials for candidates to use during the examinations.

The pass mark for all Strategic Professional examinations is 50%.

9. Guide to ACCA examination assessment

ACCA reserves the right to examine anything contained within the study guide at any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For specified financial accounting, audit and tax examinations, except if indicated otherwise, ACCA will publish examinable documents once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions. Regulation issued, or legislation passed on or before 31 August annually, will be assessed from 1 September of the following year to 31 August of the year after. Please refer to the examinable documents for the examination (where relevant) for further information.

Regulations issued or legislation passed in accordance with the above dates may be examinable if the effective date is in the future, unless explicitly stated otherwise in the syllabus and study guide or examinable documents. The terms 'issued' or 'passed' relate to when regulation or legislation has been formally approved.

The term 'effective' relates to when regulation or legislation must be applied to entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list, where applicable.

10. Learning hours and education recognition

The ACCA Qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of personal, professional and educational circumstances in which ACCA candidates find themselves.

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognised and valued by governments and regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognised on the educational frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.