



Australian Government

Department of Education, Employment and Workplace Relations

FNSASIC301B Establish client relationship and analyse needs

Release: 1

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Modification History

Not applicable.

Unit Descriptor

This unit has been specifically designed to, when combined with FNSASIC302B, satisfy the skills requirements of current Australian Securities and Investment Commission (ASIC) regulation (Financial Services Reform Act) at Tier 2 level. The unit will be changed in accordance with relevant changes to the legislation.

It specifically relates to those staff advising on financial services products as identified by ASIC as being at Tier 2 level.

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Application of the Unit

This unit requires the application of skills and knowledge required to provide advice in financial services products at Tier 2 level in accordance with ASIC regulations.

This unit requires the application of interpersonal skills, needs analysis, and customer service skills to the provision of advice to clients.

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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary for the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements. The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary for the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements.

Elements and Performance Criteria Pre-Content

Elements define the essential outcomes of a unit of competency.

Performance Criteria describe the required performance needed to demonstrate achievement of the Element. **Bold, italicised** terms are elaborated in the Range Statement. Assessment of performance is to be consistent with the Evidence Guide.

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Elements and Performance Criteria

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Element	Performance Criteria
1 Establish relationship with client	<p>1.1 A range of communication and interpersonal skills are used to establish the knowledge level of client</p> <p>1.2 Enquiries in relation to products and services are responded to by explaining the range of products and services available and their relevant fee and charging methodology</p> <p>1.3 Client is informed of the role of the adviser and the licensee/principal responsible for the adviser's conduct</p> <p>1.4 Familiarity with the procedures for complaints handling and the circumstances in which they should be engaged is demonstrated</p>
2 Identify clients objectives, needs and financial situation	<p>2.1 A range of communication and interpersonal skills are used to gather clients' personal, financial and business details</p> <p>2.2 Clients needs are identified by encouraging expression of their objectives and goals (short,</p>

- medium and long term goals as relevant to the product)
- 2.3 Product **risk profile** of the client is identified
 - 2.4 Clients expectations of cash flow and relevant taxation obligations are obtained
- 3 Analyse client objective, needs, financial situation and risk profile
- 3.1 An assessment of client needs is undertaken, utilising all **information** gathered and taking into account clients product **expectations** and specific needs
 - 3.2 Clients are consulted throughout the analysis for further clarification where necessary
 - 3.3 The need for specialist advice is analysed and/or client is referred to appropriate adviser for higher level/specialist advice if required
 - 3.4 Product risk profile of the client is assessed and agreed
 - 3.5 Understanding of the ASIC identified generic and specialist knowledge relevant to the products being offered is demonstrated

Required Skills and Knowledge

REQUIRED KNOWLEDGE&SKILLS

Knowledge requirements include:

Generic knowledge requirements

generic knowledge about the economic environment, the characteristics and impact of economic and business cycles, including interest rates, exchange rates, inflation, and government monetary and fiscal policies

generic knowledge about the operation of financial markets, the roles played by intermediaries and issuers, structure and inter-relationships within the financial markets, and inter-relationship between industry sectors

generic knowledge about financial products, including the concept of a financial product, general definition, specific inclusions and exclusions, types of financial investment products, types of financial risk products

generic knowledge about the taxation issues in relation to the products and markets in which they operate

generic knowledge about advisory functions, the role of the representative/adviser, participants in the advisory services market, range of services provided, profile and financial information of the client, appropriateness of a risk assessment

generic knowledge about the legal environment and disclosure and compliance, the role of the representative/adviser, relevant legal principles (eg Corporations Act, Financial Services Reform Act (FSRA), Trade Practices Act etc.), the relationship between ethics and regulatory requirements (eg good faith, utmost good faith, full disclosure of remuneration/fees and any other conflicts of interest which may influence the adviser's recommendation)

knowledge of relevant industry codes of practice and conduct

knowledge of complaints resolution procedures (internal and external)

knowledge of regulators guidelines including the requirements of ASIC's policy statement 146

Specialist knowledge requirements

specialist knowledge of the specific industry or product in which they are operating. For general insurance products this includes:

types of general insurance products/policies

standard cover (and deviations)

policy wordings

taxes and charges

insurance claims

premium rating/risk selection

reporting

product development

underwriting

for deposit products and non-cash payment facilities this includes:

types of products/facilities

product/facility characteristics

Skills requirements include:

ability to perform completed needs analysis

analytical skills

ability to use databases and computerised equipment

presentation skills

customer negotiation skills

ability to analyse information and products to ensure appropriateness to client needs,
currency and accuracy

effective interpersonal and communication skills

Evidence Guide

EVIDENCE GUIDE

Assessment of performance requirements in the unit should be undertaken in an industry context. The Evidence Guide identifies the critical aspects, knowledge and skills to be demonstrated to confirm competency for the unit. Competency is demonstrated by performance of all stated criteria including the Range Statement applicable to the workplace.

Overview of assessment requirements

To achieve competency in this unit, a person must be able to demonstrate:

knowledge of industry regulations and codes of practice, financial products and services, financial markets and characteristics, roles of other specialist providers and licensees, as well as the impacts of taxation on the clients financial requirements for the specific products offered

for insurance products, competence in this unit is subject to the staff members' approval/authority to accept the transfer of risk

Critical aspects of evidence

Evidence required for demonstration of consistent performance:

Competency is demonstrated by performance of all stated criteria, including the Range Statement applicable to the workplace environment.

Assessment should cover a representative range of clients (risk profile and needs) and products.

Delivery/assessment relationship to other units:

This unit should be assessed in conjunction with:

FNSASIC302B Develop, present and negotiate client solutions.

Assessment requirements

Method of assessment:

For valid and reliable assessment of this unit, evidence should be gathered through a range of methods to indicate consistent performance.

Assessment of this unit of competence will usually include observation of processes and procedures, oral and/or written questioning on underpinning knowledge and skills and other methods as required.

Context of assessment:

Assessment of performance requirements in this unit should be undertaken within the financial services industry context and should cover aspects of personal/financial responsibility and accountability.

Aspects of competency, including the attainment of relevant knowledge and skills, may be assessed in a relevant workplace, a closely simulated work environment, or other appropriate means that clearly meet industry competency requirements.

Registered Training Organisations (RTOs) need to be mindful of the legislative obligations of licensees, where ASIC have prescribed the opportunities where recognition of current competence can be undertaken for these units.

Resources required for assessment:

Unless otherwise specified, there are no significant resource implications for assessment of this unit, apart from access to a relevant workplace or closely simulated office environment and the use of a range of office equipment, technology and consumables. These may include standard commercial computer hardware, software, telephones, facsimiles, and other relevant office equipment.

Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that will affect performance.

The following variables may be present with training and assessment depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts. If **bold italicised** text is shown in Performance Criteria, details of the text are provided in the Range Statement.

Adviser may include:	<ul style="list-style-type: none"> any representative of a licensee employee or owner all natural persons who provide financial product advice to retail clients
Client's needs, objectives and financial situation may include:	<ul style="list-style-type: none"> debt position security expectations of income from this product family income business needs expectations of access to product expectations of lifecycle and length of product
Risk profile might include:	<ul style="list-style-type: none"> risk factors and return expectations volatility of income and capital market and sector risks (economic cycle, fixed interest, property, stock market) access restrictions on product economic specific product risk borrowing risk/gearing
Information gathered from the client might include:	<ul style="list-style-type: none"> details of the customers needs and objectives for income, security, liquidity, and the time period the customer is planning for details of liabilities and potential liabilities of the customer individual investment preferences and aversion or tolerance to risk

Expectations might include:

other customer details such as employment security, likely events and their impact on the customer, age and other products they have

computer and manual applications

written advice

disclaimers

disclosures

product application forms

beliefs about performance

security

conservative

risk

fluctuations in income and/or capital

moderate

speculator

passive

active

long term or short term investor

Unit Sector(s)

Not applicable.

Relationship to other units

This unit replaces FNSASIC301A.

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