



Australian Government

BSBSMB401 Establish legal and risk management requirements of small business

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with BSB Business Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to assess and prioritise risks and identify and comply with all regulations affecting the business.

It applies to individuals operating a small business or setting up a department within a larger organisation, who are skilled at communicating and interpreting legislation and regulations.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Unit Sector

Management and Leadership – Small and Micro Business

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Identify and implement business legal requirements	1.1 Identify and research possible options for the business legal structure using appropriate sources 1.2 Determine legislation and regulatory requirements affecting operations of the business under its chosen structure 1.3 Develop and implement procedures to ensure full compliance with relevant legislation and regulatory requirements
2. Comply with legislation, codes and regulatory requirements	2.1 Establish systems to ensure legal rights and responsibilities of the business are identified and the business is adequately protected, specifically in relation to occupational health and safety (OHS), business registration and environmental requirements 2.2 Identify taxation principles and requirements relevant to the

ELEMENT	PERFORMANCE CRITERIA
	<p>business, and follow procedures to ensure compliance</p> <p>2.3 Identify and carefully maintain legal documents and maintain and update relevant records to ensure their ongoing security and accessibility</p> <p>2.4 Monitor provision of products and services of the business to protect legal rights and to comply with legal responsibilities</p> <p>2.5 Conduct investigations to identify areas of non-compliance with legal and regulatory requirements, and take corrective action where necessary</p>
3. Negotiate and arrange contracts	<p>3.1 Seek legal advice on contractual rights and obligations, if required, to clarify business liabilities</p> <p>3.2 Investigate and assess potential products/services to determine procurement rights and ensure protection of business interests where applicable</p> <p>3.3 Negotiate and secure contractual procurement rights for goods and services including contracts with relevant people, as required, in accordance with the business plan</p> <p>3.4 Identify insurance requirements and acquire adequate cover</p> <p>3.5 Identify options for leasing/ownership of business premises and complete contractual arrangements in accordance with the business plan</p>

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.1-1.3, 2.1-2.4, 3.2-3.5	<ul style="list-style-type: none"> Identifies, analyses and evaluates a range of complex text to determine legislative, regulatory and related business requirements
Writing	1.3, 2.1, 2.3, 2.5, 3.1, 3.3, 3.5	<ul style="list-style-type: none"> Prepares written reports and workplace documentation that communicate complex information clearly and effectively
Oral Communication	2.5, 3.1, 3.3	<ul style="list-style-type: none"> Uses specific and relevant language to clearly articulate legal issues, and uses questioning and listening techniques to clarify solutions

		<ul style="list-style-type: none"> Participates in verbal negotiations using language suitable to audience
Numeracy	2.2, 2.5, 3.3, 3.4	<ul style="list-style-type: none"> Reviews, analyses, compares and contrasts numerical data which may be embedded in documents Calculates business insurance costs and compares costing options
Navigate the world of work	1.2, 1.3, 2.1	<ul style="list-style-type: none"> Monitors adherence to organisational policies and legislative responsibilities and considers own role in terms of its contribution to broader goals of work environment
Interact with others	3.1, 3.3	<ul style="list-style-type: none"> Plays a lead role in situations requiring effective collaboration, demonstrating high-level influencing skills, focusing and shaping awareness, and engaging and motivating others
Get the work done	1.1-1.3, 2.1	<ul style="list-style-type: none"> Plans, organises and implements tasks required to determine legal and risk management requirements Implements actions as per plan, making adjustments if necessary and addressing unexpected issues Understands importance of secure information in relation to own work and takes personal responsibility for identifying and managing risk factors Makes a range of critical and non-critical decisions in complex situations, taking a range of factors into account

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
BSBSMB401 Establish legal and risk management requirements of small business	BSBSMB401A Establish legal and risk management requirements of small business	Updated to meet Standards for Training Packages	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=11ef6853-ceed-4ba7-9d87-4da407e23c10>