



**Australian Government**

# **Assessment Requirements for FNSMCA402 Initiate legal recovery of debts**

**Release: 1**

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## Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

## Performance Evidence

Evidence of the ability to:

- interpret and comply with legislative requirements, industry code of conduct and regulations, and organisational policy and procedures in the credit management and mercantile agents field
- identify appropriate mercantile data for relevant information for locating subjects and credit history
- develop a contact plan
- negotiate effectively with debtors to come to a satisfactory agreement to repay, wherever possible
- complete relevant documentation in accordance with legal, industry and organisational requirements and guidelines
- present and explain documentation to clients, verifying recommendations to gain their agreement.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

## Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- describe key features of relevant:
  - state or territory and Commonwealth legislation relating to debt collection
  - regulatory authorities
  - court jurisdictions
  - appeal procedures
- outline the organisational policy and procedures and legal obligations underpinning credit management functions and their relationship to mercantile agents
- outline the business principles, financial arrangements and legal obligations of:

- sole traders
- partnerships
- companies
- describe the role of the Australian Securities and Investments Commission (ASIC) in relation to:
  - businesses
  - principles of limited liability
  - insolvency and bankruptcy
  - principles of association under the Associations Reform Incorporation Act
  - principles and obligations of trusts
  - costing of contracts
- outline and explain securities loans and principles:
  - factoring
  - guarantees
  - indemnity
  - securities over property
  - retention of title
  - liens.

## Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the mercantile agents field of work and include access to:

- office equipment, technology, software and consumables
- relevant legislation and industry codes of practice in the mercantile agent field.

Assessors must satisfy NVR/AQTF assessor requirements.

## Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>