



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **FNSFMK402A Develop and maintain knowledge of financial markets products**

**Revision Number: 1**

## FNSFMK402A Develop and maintain knowledge of financial markets products

### Modification History

Not applicable.

### Unit Descriptor

<b>Unit descriptor</b>	<p>This unit describes the performance outcomes, skills and knowledge required to identify the financial markets products provided by an organisation or those from other vendors or organisations which are used and determine their unique characteristics, purpose and requirements for processing transactions.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p>
------------------------	---

### Application of the Unit

<b>Application of the unit</b>	This unit has application across a range of financial market roles.
--------------------------------	---

### Licensing/Regulatory Information

Not applicable.

### Pre-Requisites

<b>Prerequisite units</b>		

## Employability Skills Information

<b>Employability skills</b>	This unit contains employability skills.
-----------------------------	--

## Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
---	--

## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Identify the products an organisation provides or uses	1.1. <b>Organisation products</b> used by an organisation are identified and the purpose of each determined 1.2. The <b>characteristics of the products and services</b> and their use are identified 1.3. Processes for operational transactions involving organisation products are applied effectively
2. Identify compliance implications of the product	2.1. <b>Compliance implications</b> of transactions for organisational products are known and applied 2.2. All necessary documentation is produced consistent with organisational compliance requirements
3. Determine user expectations for financial markets products	3.1. The function of each product and the <b>customer needs</b> it satisfies are identified as the basis for providing operational services 3.2. User expectations of the products and the level of operational service provided in operational transactions are determined and applied
4. Maintain financial markets product knowledge	4.1. Organisational financial markets products are reviewed regularly and any changes to terms and conditions identified and applied 4.2. <b>Systems</b> for keeping up with changes and maintaining up-to-date knowledge about financial markets products are put in place 4.3. <b>Emerging trends</b> affecting the financial industry are continuously reviewed and applied to product knowledge and operational practices

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

#### Required skills

- communication skills to:
  - accurately seek and interpret user expectations of organisational products
  - determine and confirm work requirements, using questioning and active listening as required
  - liaise with others, share information, listen and understand
  - use language and concepts appropriate to cultural differences
- numeracy and IT skills to:
  - make financial calculations
  - access and use appropriate software such as spreadsheets and databases
  - access internet information
- literacy skills to read, filter and interpret information relevant to the operational role from:
  - publications
  - other financial organisation material
  - specialist information providers
  - media sources
- judgement skills for forming recommendations in operational situations and identifying and considering economic environmental factors which affect financial services and markets
- organisational skills, including the ability to plan and sequence work
- management skills for working effectively in a constantly changing environment and complying with industry and organisation, legislative and regulatory requirements and policies

#### Required knowledge

- organisational policies in terms of client service expectations
- systems that can be accessed to obtain up-to-date information on financial services products and competition
- organisation's products or those used by the organisation
- products used by competitors that are similar to the organisation's

## Evidence Guide

<b>EVIDENCE GUIDE</b>	
<p>The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.</p>	
<b>Overview of assessment</b>	
<b>Critical aspects for assessment and evidence required to demonstrate competency in this unit</b>	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> <li>• identify the financial products an organisation and the market uses and providers</li> <li>• interpret the unique characteristics of a range of financial products</li> <li>• rate competitive products</li> <li>• determine the type of customers and customer needs financial products are best suited for.</li> </ul>
<b>Context of and specific resources for assessment</b>	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> <li>• competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment</li> <li>• access to and the use of a range of common office equipment, technology, software and consumables</li> <li>• a range of financial products information.</li> </ul>
<b>Method of assessment</b>	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit</p> <ul style="list-style-type: none"> <li>• evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency</li> <li>• verbal or written questioning on underpinning knowledge and skills</li> <li>• setting and reviewing workplace projects and business simulations or scenarios</li> <li>• accessing and validating third party reports.</li> </ul>
<b>Guidance information for assessment</b>	

## Range Statement

<b>RANGE STATEMENT</b>	
<p>The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that 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) may also be included.</p>	
<p><b><i>Organisation products</i></b> may include:</p>	<ul style="list-style-type: none"> <li>• bonds</li> <li>• cash</li> <li>• debt and equity instruments</li> <li>• derivatives</li> <li>• equities</li> <li>• foreign exchange</li> <li>• loans and deposits.</li> </ul>
<p><b><i>Product and service characteristics</i></b> may include:</p>	<ul style="list-style-type: none"> <li>• interest rates</li> <li>• flexibility</li> <li>• time limits</li> <li>• fees</li> <li>• transferability</li> <li>• risk capital guarantee</li> <li>• risk management capability.</li> </ul>
<p><b><i>Compliance implications</i></b> may include:</p>	<ul style="list-style-type: none"> <li>• Australian Financial Markets Association (AFMA)</li> <li>• Financial Services Reform Act (FSRA) requirements</li> <li>• industry code of practice requirements</li> <li>• International Swaps and Derivatives Association (ISDA)</li> <li>• product disclosure statements</li> <li>• relevant Acts and legislation.</li> </ul>
<p><b><i>Customer needs</i></b> may include:</p>	<ul style="list-style-type: none"> <li>• ability to change services</li> <li>• clear documentation</li> <li>• flexibility of services</li> <li>• speed of transactions.</li> </ul>
<p><b><i>Systems</i></b> may include:</p>	<ul style="list-style-type: none"> <li>• database systems</li> <li>• induction programs</li> <li>• internal systems</li> <li>• seminars</li> <li>• training programs.</li> </ul>
<p><b><i>Emerging trends</i></b> may include:</p>	<ul style="list-style-type: none"> <li>• changes in the economic climate</li> <li>• changes in the political/international climate</li> <li>• financial market changes</li> </ul>

**RANGE STATEMENT**

	<ul style="list-style-type: none"><li>• interest rate changes</li><li>• new technologies</li><li>• valuation of currency.</li></ul>
--	---

**Unit Sector(s)**

<b>Unit sector</b>	Financial markets
--------------------	-------------------

**Competency field**

<b>Competency field</b>	
-------------------------	--

**Co-requisite units**

<b>Co-requisite units</b>		