



**Australian Government**

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

# **FNSFMK505A Comply with financial services legislation and industry codes of practice**

Release: 1

## FNSFMK505A Comply with financial services legislation and industry codes of practice

### Modification History

Not applicable.

### Unit Descriptor

<b>Unit descriptor</b>	<p>This unit describes the performance outcomes, skills and knowledge required to ensure compliance with financial laws, regulations, and industry codes of practice on an organisational level.</p> <p>This unit is applicable to individuals working within enterprises and job roles subject to licensing, legislative, regulatory or certification requirements including legislation administered by the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA).</p>
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### Application of the Unit

<b>Application of the unit</b>	<p>This unit has application to the financial markets and other financial services sectors and is applicable to job roles specifically dealing with compliance functions such as compliance officers and managers.</p>
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### Licensing/Regulatory Information

Not applicable.

### Pre-Requisites

<b>Prerequisite units</b>		

## Employability Skills Information

<b>Employability skills</b>	This unit contains employability skills.
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## 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.
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## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<p>1. Identify and apply organisational requirements of legal principles and regulatory obligations</p>	<p>1.1. Source documents for <b>legislation, regulations and policies</b> relevant to the provision of financial products and services are sourced and accessed</p> <p>1.2. Key legal principles and organisational implications relating to the provision of financial products and services are interpreted and analysed</p> <p>1.3. The <b>organisational requirements</b> of these documents and their impact on work practices are identified in terms of procedural requirements</p> <p>1.4. Procedural requirements relating to operational aspects of <b>laws and regulations</b> and codes of practice are executed in line with organisational policy</p> <p>1.5. Role authorities and restrictions as identified in position profiles are complied with</p> <p>1.6. <b>Internal monitoring/audit program</b> is implemented according to organisational and role requirements</p> <p>1.7. Mechanism is established to ensure currency of regulatory literature is maintained</p>
<p>2. Identify changes and implications of laws, regulations, rules and circulars</p>	<p>2.1. Changed legislation, regulations and policies are identified and accessed in a timely manner and communicated in accordance with organisational policy</p> <p>2.2. Operational procedures are reviewed to accurately reflect changes to regulation and legislation</p> <p>2.3. Implications for products and services are identified and changes implemented in accordance with client, legislative and organisational requirements</p>
<p>3. Comply with any relevant industry or professional codes</p>	<p>3.1. <b>Relevant industry codes of practice</b> are sourced, accessed and applied to own work in accordance with organisational requirements</p> <p>3.2. Key principles and responsibilities are interpreted in accordance with industry codes of practice with own interpretation and application of industry codes of practice confirmed and clarified as required with relevant persons</p> <p>3.3. Impact of codes of practice on work practices is understood and implemented</p>
<p>4. Maintain statutory records</p>	<p>4.1. <b>Relevant records</b> are maintained and copies of any relevant agreements kept on file</p> <p>4.2. Evidence of current authorisation, training and relevant licences are maintained in accordance with organisational, legal and regulatory requirements</p>

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

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

#### Required skills

- well-developed communication skills to:
  - determine and confirm legislative and organisational requirements
  - inform clients and colleagues of legislative and industry code of practice compliance requirements
  - liaise with others, share information, listen and understand
  - use language and concepts appropriate to cultural differences
- IT skills to access internet information and manage record security
- highly developed research and analysis for accessing, interpreting and managing complex information such as statutory requirements
- well-developed literacy skills to:
  - read and interpret legislative and industry information
  - identify economic legislative factors which affect the organisation
  - produce reports and update organisational documentation and records
- judgement skills for forming recommendations in complex situations
- organisational skills including:
  - implementation of an internal, monitoring/audit program for staff and authority holders
  - the ability to plan and sequence work and work effectively in a constantly changing environment
- self-management skills for complying with ethical, legal and procedural requirements

#### Required knowledge

- disclosure of capacity criteria
- duty of care principles
- general obligations of a financial services officer
- laws of principal and agents
- organisation's products and services
- relevant agency agreements or broker authority
- relevant industry codes of practice
- relevant regulation pertaining to the financial services industry sector
- statutory records a financial services organisation needs to maintain

## 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>• access, accurately interpret and comply with relevant industry codes of practice and relevant laws and regulations</li> <li>• explain changes and implications of law, regulations, rules and circulars to clients and colleagues</li> <li>• accurately maintain statutory records in a timely manner.</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>• access to financial services legislative and industry code of practice 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 business simulations or scenarios</li> <li>• evaluating samples of work</li> <li>• accessing and validating third party reports.</li> </ul>
<b>Guidance information for assessment</b>	

## Range Statement

### RANGE STATEMENT

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>Relevant <i>legislation, regulations and policies</i> may include:</p>	<ul style="list-style-type: none"> <li>• applicable State and Territory legislation and regulations</li> <li>• Australian Securities and Investments Commission (ASIC) Act, policy and guidelines</li> <li>• Consumer Affairs Act</li> <li>• contract law</li> <li>• general law</li> <li>• Insurance Act</li> <li>• legislation and regulations administered by Australian Prudential Regulation Authority (APRA)</li> <li>• occupational health and safety (OHS) legislation</li> <li>• organisational codes of conduct</li> <li>• Privacy Act</li> <li>• social security regulations</li> <li>• Superannuation Acts and regulations</li> <li>• Taxation Acts and regulations</li> <li>• trust law</li> <li>• Workplace Relations Act, State Industrial Relations Acts, awards and enterprise agreements.</li> </ul>
<p><i>Organisational requirements</i> may be outlined and reflected in:</p>	<ul style="list-style-type: none"> <li>• access and equity principles and practice guidelines</li> <li>• business and performance plans</li> <li>• cash handling and storage procedures</li> <li>• complaints and dispute resolution procedures</li> <li>• dispute resolution processes</li> <li>• ethical standards, codes of practice</li> <li>• formal procedures manual and quality assurance documents</li> <li>• goals, objectives, plans, systems and processes</li> <li>• legal and organisational policies and guidelines</li> <li>• mission statements, strategic plans</li> <li>• OHS policies, procedures and programs</li> <li>• policies and procedures in relation to client service</li> <li>• product or service development</li> <li>• quality and continuous improvement process and</li> </ul>

<b>RANGE STATEMENT</b>	
	standards <ul style="list-style-type: none"> <li>• referral procedures</li> <li>• use of compliance documentation such as:                             <ul style="list-style-type: none"> <li>• product disclosure statements</li> <li>• statements of advice.</li> </ul> </li> </ul>
<i>Laws and regulations</i> may include:	<ul style="list-style-type: none"> <li>• ASIC regulations and guidelines</li> <li>• Consumer Protection Acts</li> <li>• corporations law</li> <li>• Trade Practices Act.</li> </ul>
<i>Internal monitoring/audit programs</i> may include:	<ul style="list-style-type: none"> <li>• audits of disclosure documentation</li> <li>• Financial Services Reform (FSR) document audits</li> <li>• loan document audits</li> <li>• monthly journal audits</li> <li>• qualification checks.</li> </ul>
<i>Relevant industry codes</i> include:	<ul style="list-style-type: none"> <li>• CPA Australia Code of Practice</li> <li>• Banking Code of Practice</li> <li>• Mortgage Brokers Code of Practice</li> <li>• other codes of any financial services association or body.</li> </ul>
<i>Relevant records</i> include:	<ul style="list-style-type: none"> <li>• statutory records</li> <li>• tax records</li> <li>• training records.</li> </ul>

## Unit Sector(s)

<b>Unit sector</b>	Financial markets
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## Competency field

<b>Competency field</b>	
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## Co-requisite units

<b>Co-requisite units</b>		