



Australian Government

FNSFMK602 Hedge financial products

Release: 1

FNSFMK602 Hedge financial products

Modification History

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

Application

This unit describes the skills and knowledge required to hedge financial transactions, enter hedge transactions into organisational systems, and revalue and adjust financial positions when trading financial products within financial markets.

It applies to individuals who operate within limits of responsibility and use specialised knowledge, analytical skills and systematic approaches to analyse, review and make judgements about complex financial information to meet requirements.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the FNS Implementation Guide Companion Volume or the relevant regulator for specific guidance on requirements.

Unit Sector

Financial markets

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. Assess hedge financial transaction	1.1 Assess risk tolerance and appetite, and review current financial position to determine if hedging is required using an additional financial product 1.2 Analyse hedging instrument options based on limits, organisational product approvals and current exposure assessment
2. Complete hedge transaction	2.1 Undertake hedge transaction with counterparties in accordance with organisational guidelines, credit and other desk limits 2.2 Collect hedge transactional details, complete relevant documentation and enter hedge transaction into the organisation's

ELEMENT	PERFORMANCE CRITERIA
	dealing system 2.3 Report details of transaction to authorised trade repository where required by regulation
3. Assess adjusted financial position	3.1 Assess new post-transaction position in line with profit and loss and risk reports, and new market data available 3.2 Adjust hedge position, based on analysis of new data, if risk remains outside scope of organisational tolerance or market moves 3.3 Collect additional transactional details, complete relevant documentation and enter new transaction into organisation's dealing systems

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, 2.2, 3.1, 3.3	- Accurately researches and analyses complex information from a range of sources to determine and confirm work requirements - Consolidates information and identifies gaps relevant to requirements
Writing	2.1-2.3, 3.2, 3.3	- Accurately records information and data using required format, terminology and conventions specific to requirements - Develops material to a specific audience using clear and detailed language
Oral Communication	2.1, 3.2	- Participates in verbal exchanges using active listening and questioning techniques to share, convey and clarify information - Uses language, terminology and concepts appropriate to audience and purpose
Numeracy	1.1, 1.2, 2.1, 2.2, 3.1-3.3	Uses comparative analysis techniques and mathematical equations to perform calculations, make comparisons and check accuracy of data
Navigate the world of work	1.2, 2.1	Takes full responsibility for following policies, procedures and legislative requirements and identifies organisational implications of new legislation or

		regulations
Interact with others	2.1, 3.2	Selects and uses appropriate conventions and protocols when communicating with personnel
Get the work done	1.1-1.2, 2.2, 2.3, 3.1-3.3	- Takes full responsibility for planning and sequencing complex tasks and workload - Makes high impact decisions in complex situations, using input from a range of sources - Uses digital tools to access and organise complex data and enable analysis of multiple sources of information for strategic purposes

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSFMK602 Hedge financial products	FNSFMK602A Hedge financial products	Updated to meet Standards for Training Packages Rewritten and reorganised performance criteria to clarify intent of unit	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

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

Assessment Requirements for FNSFMK602 Hedge financial products

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Performance Evidence

Evidence of the ability to:

- complete hedge financial transactions and enter into organisational systems
- evaluate and adjust financial positions
- interpret and comply with organisational trading rules and limits.

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:

- compare and contrast financial risk analysis techniques
- analyse and describe financial market reports, including profit and loss reports
- describe the key features of organisational requirements relating to financial trading
- identify and classify organisational transactions limits
- assess the impact of the following key economic features when hedging financial products:
 - characteristics and impacts of economic and business cycles
 - monetary and fiscal policies
 - interest rates, exchange rates and inflation
- compare and contrast the range of financial market products available.

Assessment Conditions

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

- office equipment, technology, software and consumables

- financial services product information
- dealing system and data.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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