



Australian Government

Assessment Requirements for FNSFMK612 Manage trading exposures

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 4.0.

Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- assess risk and develop two hedging strategies to manage trading exposures.

In the course of the above, the candidate must:

- develop hedging strategies to mitigate risk in line with organisational risk tolerance
- assess risks of underlying hedge transactions and existing portfolio structure
- evaluate and adjust financial positions
- comply with organisational practices for identifying and reporting potential trading limit breaches.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- regulatory and organisational requirements for managing trading exposures
- financial market products that are traded in a particular asset class
- market risk, basis risk, value at risk (VaR)
- trading limit types
- organisational policies and procedures for managing potential trading limit breaches and risks
- risk measurement techniques such as VaR and basis point (BPS)
- market conditions and liquidity when managing financial risk
- venues for executing financial transactions
- methodologies for data interpretation and analysis.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- common office equipment, technology, software and consumables required to manage trading exposure
- organisational records, policies and procedures required for the performance evidence.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

Companion Volume Implementation Guide is found on VETNet -

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