



**Australian Government**

# **FNSFPL604 Develop complex and innovative financial planning strategies**

**Release: 1**

# FNSFPL604 Develop complex and innovative financial planning strategies

## 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 determine and prepare a complex or innovative financial plan or plans which are, for commercial relationship reasons, identified as requiring development to a higher than normal standard. It encompasses establishing plan objectives and scope, and developing strategic assumptions and innovative or complex financial strategies.

It applies to experienced individuals who use specialised knowledge, systematic approaches and strong analytical skills to develop recommendations and solutions to meet complex 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 planning

## 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. Establish plan objectives and scope           | 1.1 Review and compare research results with client requirements and expectations, and analyse current client situation to determine opportunities and constraints<br>1.2 Review special features of client situation such as high asset, income or expenditure requirements, complex taxation and/or legal issues, or complex estate planning issues<br>1.3 Identify desired financial resource and market parameters and |

| ELEMENT                                                     | PERFORMANCE CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             | <p>develop plan objectives for asset growth, income, risk, estate planning and any other objectives developed in consultation with client</p> <p>1.4 Identify taxation or estate objectives and discuss with client</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 2. Develop strategic assumptions                            | <p>2.1 Develop and test client related and economic key assumptions</p> <p>2.2 Develop and test legislative, regulatory and taxation assumptions</p> <p>2.3 Seek clarification from client or other financial services professionals as required and document strategic assumptions for client review</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 3. Develop innovative or complex financial strategy         | <p>3.1 Develop initial options based on strategic assumptions and client specifications</p> <p>3.2 Analyse, model and prioritise strategic options and reject inappropriate strategic options</p> <p>3.3 Develop supporting arguments for each strategic option and include in draft overall strategy</p> <p>3.4 Integrate strategy, where required, into taxation, legal, estate or insurance and asset strategies being developed for client by other professional advisers for financial plan to achieve maximum synergy and benefit for client</p> <p>3.5 Review strategy for best practice compliance and risk management</p> <p>3.6 Include fee and charge analysis for strategy options</p> <p>3.7 Maintain best practice ethical behaviour, including full disclosure of any potential conflicts of interest and areas where advice should be sought from other professionals</p> |
| 4. Review and settle draft strategy and options with client | <p>4.1 Select strategic options for review with client and suitable mode of presentation</p> <p>4.2 Fully review each strategic option with client, including positives, negatives and risks for each option</p> <p>4.3 Ensure that implication of each option, including regulatory and legal implications for client's situation, needs and goals, is explained to client and understood</p> <p>4.4 Ensure that client understands where additional professional advice is needed</p> <p>4.5 Establish broad agreement on strategies with client and resolve any concerns and issues raised by client</p>                                                                                                                                                                                                                                                                               |

| ELEMENT                                                                                | PERFORMANCE CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. Develop preliminary financial plan for client                                       | <p>5.1 Conduct full investigation of products and options, including non-standard and/or innovative products, and select products and options to meet agreed strategy</p> <p>5.2 Identify complex or innovative products and develop or obtain explanatory material</p> <p>5.3 Incorporate requirements for cash flow, liquidity, capital preservation or estate planning</p> <p>5.4 Develop recommendations for financial asset allocation structure including, where required, provision for equities, trusts, partnerships, allocated pensions and superannuation</p> <p>5.5 Develop recommendations for changes to income and taxation arrangements, taxation consequences and estate planning issues relating to client strategy, and provide referral advice to accountants or lawyers as appropriate</p> <p>5.6 Develop recommendations on risk management strategies and products, and incorporate into plan</p> <p>5.7 Incorporate description of anticipated fees and charges into plan</p> <p>5.8 Incorporate information on internal and external complaints resolution procedures into preliminary plan</p> <p>5.9 Document preliminary financial plan according to organisational guidelines and procedures</p> |
| 6. Ensure compliance of financial plan with regulatory and organisational requirements | <p>6.1 Check preliminary financial plan to ensure that role of representative or adviser is properly documented</p> <p>6.2 Check preliminary financial plan to ensure compliance with relevant Acts, legislation and regulatory guidelines</p> <p>6.3 Assess preliminary financial plan for its ability to successfully achieve stated objectives</p> <p>6.4 Check preliminary financial plan to ensure that it complies with ethical and regulatory requirements</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 7. Produce client financial plan                                                       | <p>7.1 Produce financial plan in accordance with organisational presentation requirements</p> <p>7.2 Attach supporting organisation and product explanatory documentation, and regulatory and complaints information where required</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

## 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                                                                                                                                                                                                                                                                                                                                 |
|----------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Learning                   | 1.1, 3.5, 3.7, 5.1                                                 | <ul style="list-style-type: none"> <li>Monitors own performance against best practice criteria</li> <li>Actively undertakes research to develop own knowledge and maintain currency of information</li> </ul>                                                                                                                               |
| Reading                    | 1.1-1.4, 5.1, 5.2, 6.1-6.4                                         | <ul style="list-style-type: none"> <li>Researches and manages information and products to determine appropriateness to client needs, currency and accuracy</li> <li>Consolidates and evaluates information from a range of sources to form a holistic perspective of complex situations and identify implications</li> </ul>                |
| Writing                    | 1.3, 1.4, 2.3, 3.1-3.4, 3.6, 4.1, 4.2, 4.4, 5.2-5.9, 6.1, 6.2, 7.1 | <ul style="list-style-type: none"> <li>Synthesises and presents comprehensive financial and textual information using formats, language and concepts appropriate for the audience and purpose</li> </ul>                                                                                                                                    |
| Oral Communication         | 1.3, 1.4, 2.3, 4.1-4.4                                             | <ul style="list-style-type: none"> <li>Clearly and effectively presents detailed and comprehensive information using language, tone and pace appropriate to the audience and purpose</li> <li>Participates in verbal exchanges using active listening and questioning to explain and ensure understanding of complex information</li> </ul> |
| Numeracy                   | 1.3, 1.4, 2.1-2.3, 3.1, 3.2, 3.6, 5.2-5.5, 5.7                     | <ul style="list-style-type: none"> <li>Performs calculations and uses analytical techniques to determine trends and compare complex financial information</li> <li>Accurately analyses, records and stores data in accordance with organisational requirements</li> </ul>                                                                   |
| Navigate the world of work | 3.7, 4.3, 4.4, 6.2, 6.4                                            | <ul style="list-style-type: none"> <li>Takes responsibility for ensuring that strategies comply with organisational policy and procedures, legislative and ethical requirements and client objectives</li> <li>Ensures knowledge of legislative requirements is kept up to date to provide accurate information</li> </ul>                  |
| Interact with others       | 1.3, 1.4, 2.3, 4.1, 4.3-4.5, 5.5                                   | <ul style="list-style-type: none"> <li>Selects and uses appropriate conventions and protocols to gain and provide information</li> </ul>                                                                                                                                                                                                    |
| Get the work done          | 1.1-1.4, 2.1, 2.2, 3.2-3.6, 4.1-4.5, 5.1-5.9, 6.1-6.4, 7.1, 7.2    | <ul style="list-style-type: none"> <li>Plans a range of routine and non-routine work tasks according to defined requirements, accepting defined goals and aiming to achieve them efficiently</li> <li>Uses systematic analytical problem-solving processes in complex routine and non-routine situations,</li> </ul>                        |

|  |  |                                                                                                                                                                                                                                                                                                              |
|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | <p>gathering information and identifying and evaluating options against agreed criteria</p> <ul style="list-style-type: none"><li>• Systematically evaluates complex information to make informed decisions</li><li>• Uses the main features and functions of digital tools to complete work tasks</li></ul> |
|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Unit Mapping Information

| Code and title<br>current version                                      | Code and title<br>previous version                                      | Comments                                        | Equivalence status |
|------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------|--------------------|
| FNSFPL604 Develop complex and innovative financial planning strategies | FNSFPL604A Develop complex and innovative financial planning strategies | Updated to meet Standards for Training Packages | 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 FNSFPL604 Develop complex and innovative financial planning strategies

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## Performance Evidence

Evidence of the ability to:

- develop detailed financial plans that:
  - maximise the client's outcomes and reach client objectives
  - incorporate elements that have arisen from research
  - address complex needs and issues
  - describe the key assumptions on which the plan is based
  - assess the impacts of taxation, social security, economic and other government policy on client investment and financial requirements
  - analyse strategic options and make justified recommendations.

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 the key features and characteristics of:
  - the financial planning industry, investment and savings vehicles, financial markets, asset classes and investment characteristics
  - legislation, regulations and codes of practice affecting the industry
  - products available in the financial services industry
  - relevant industry codes of practice
- analyse the role of the financial planning adviser and the financial planning practice
- explain investment risk factors and relationship to return expectations
- describe requirements related to the disclosure of capacity
- outline the impact of the following on the client's financial planning needs:
  - relevant economic, taxation and social security policy

- relevant estate planning considerations
- describe the key features of effective communication processes, including principles of effective negotiation.

## Assessment Conditions

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

- office equipment, technology, software and consumables.

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>