



Australian Government

FNSMCA402 Initiate legal recovery of debts

Release: 1

FNSMCA402 Initiate legal recovery of debts

Modification History

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

Application

This unit describes skills and knowledge required to establish contact and rapport with debtors and successfully collect debts using a relevant legal recovery process.

It applies to individuals who use specialised knowledge of legal requirements and follow organisational procedures to complete tasks.

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

Mercantile agents

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. Plan and prepare procedures	1.1 Interpret and confirm client's written instructions 1.2 Identify relevant legal and procedural issues for consideration and action in accordance with legislative requirements and organisational policy and procedures 1.3 Check all appropriate mercantile data for relevant information to determine subject's whereabouts and credit history 1.4 Develop appropriate plan for contact, with most appropriate means of communication selected
2. Negotiate debt payment and settlements	2.1 Establish contact and build rapport with subject, using most appropriate means of communication

ELEMENT	PERFORMANCE CRITERIA
	2.2 Propose and negotiate debt payment and settlements with subject, according to organisational policy and procedures, and client needs 2.3 Discuss outcomes with management, when required, and document recommendations clearly and concisely providing reasons for proceeding, not proceeding or strategies for taking further action with debt payment and settlements
3. Present recommendations to client and implement	3.1 Present documented recommendations to client and obtain agreement on how to proceed 3.2 Initiate legal process, when appropriate, in line with client needs and legal requirements, and progress in accordance with court requirements 3.2 Complete necessary supporting documents correctly and in line with court requirements

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, 4.1	Interprets, analyses and consolidates information from a variety of sources to determine and confirm relevance
Writing	2.1, 2.2, 3.1, 3.2, 4.2	Drafts reports and letters, making recommendations where necessary, and completes relevant documentation as required
Oral Communication	2.1, 3.1	- Uses language and concepts appropriate to the audience and purpose to convey and clarify information - Use questioning and active listening in verbal exchanges to determine and confirm client requirements
Navigate the world of work	3.1, 3.2, 3.3	Complies with legal obligations, industry and organisational codes of practice, and ethical principles
Interact with others	2.1, 2.2, 3.1, 4.2	Selects the appropriate form, channel and mode of communication to build rapport, liaise with others and share information

Get the work done	1.1, 1.2, 2.1, 2.2, 3.1-3.3, 4.1, 4.2	- Adopts efficient and effective organisational and time management skills to sequence tasks and meet timelines - Clearly and thoroughly researches and analyses information and tasks, and then plans strategies and actions to achieve optimal outcomes within given parameters - Seeks information or advice before implementing a solution, where appropriate - Uses digitally based technologies and software packages to complete work requirements
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Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSMCA402 Initiate legal recovery of debts	FNSMCA402A Initiate legal recovery of debts	Updated to meet Standards for Training Packages. Rewritten, reordered and clarified performance criteria.	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 FNSMCA402 Initiate legal recovery of debts

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Performance Evidence

Evidence of the ability to:

- interpret and comply with legislative requirements, industry code of conduct and regulations, and organisational policy and procedures in the credit management and mercantile agents field
- identify appropriate mercantile data for relevant information for locating subjects and credit history
- develop a contact plan
- negotiate effectively with debtors to come to a satisfactory agreement to repay, wherever possible
- complete relevant documentation in accordance with legal, industry and organisational requirements and guidelines
- present and explain documentation to clients, verifying recommendations to gain their agreement.

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 key features of relevant:
 - state or territory and Commonwealth legislation relating to debt collection
 - regulatory authorities
 - court jurisdictions
 - appeal procedures
- outline the organisational policy and procedures and legal obligations underpinning credit management functions and their relationship to mercantile agents
- outline the business principles, financial arrangements and legal obligations of:

- sole traders
- partnerships
- companies
- describe the role of the Australian Securities and Investments Commission (ASIC) in relation to:
 - businesses
 - principles of limited liability
 - insolvency and bankruptcy
 - principles of association under the Associations Reform Incorporation Act
 - principles and obligations of trusts
 - costing of contracts
- outline and explain securities loans and principles:
 - factoring
 - guarantees
 - indemnity
 - securities over property
 - retention of title
 - liens.

Assessment Conditions

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

- office equipment, technology, software and consumables
- relevant legislation and industry codes of practice in the mercantile agent field.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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