



Australian Government

Assessment Requirements for FNSSMS601 Provide advice in self-managed superannuation funds

Release: 1

Assessment Requirements for FNSSMS601 Provide advice in self-managed superannuation funds

Modification History

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

Performance Evidence

Evidence of the ability to:

- use a range of communication and interpersonal skills to gather financial details to identify the self-managed superannuation fund's objectives, needs, financial situation and risk profile
- analyse the self-managed superannuation fund's objectives, needs, financial situation and risk profile and identify relevant strategies
- present appropriate strategies and solutions and negotiate with trustee until confirmation to proceed is obtained
- prepare documentation that meets legislative requirements
- negotiate and agree to ongoing service to be provided to the trustee.

Note: For insurance products, competence in this unit is subject to the staff members' approval or authority to accept the transfer of risk.

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:

Generic knowledge requirements

- analyse the economic environment, the characteristics and impact of economic and business cycles, including interest rates, exchange rates, inflation, and government monetary and fiscal policy
- discuss the operation of financial markets, the roles played by intermediaries and issuers, structure and interrelationships within the financial markets, and interrelationship between industry sectors

- compare and contrast financial products, including the concept of a financial product, general definition, specific inclusions and exclusions, types of financial investment products and types of financial risk products
- appraise taxation issues in relation to the products and markets in which they operate
- discuss advisory functions, the role of the representative or adviser, participants in the advisory services market and range of services provided
- explain the profile and financial information of the client and appropriateness of a risk assessment
- discuss the legal environment and disclosure and compliance, the role of the representative or adviser, relevant legal principles (e.g. Corporations Act, Financial Services Reform Act, the relationship between ethics and regulatory requirements (e.g. good faith, utmost good faith, full disclosure of remuneration or fees and any other conflicts of interest which may influence the adviser's recommendation)
- interpret relevant industry codes of practice and conduct
- describe complaints resolution procedures (internal and external)
- describe regulators' guidelines including the requirements of ASIC policy relevant product areas.

Specialist knowledge requirements

- describe the operation and management of self-managed superannuation funds
- describe the characteristics and structure of a superannuation product
- distinguish between the roles played by intermediaries and issuers
- describe different types of superannuation products
- outline fee structure, administration and management costs
- describe types of contributions
- describe annuities or pensions, allocated pensions and income stream products and analyse associated risks with these
- describe the structure of superannuation plans management and administration of superannuation products
- define preservation rules
- evaluate investment strategies within superannuation funds
- identify restrictions on investment strategies.

Taxation

- analyse the impact of taxation on investment earnings
- define and explain a range of terms including:
 - employer and employee contributions
 - benefit payments and expenses
 - tax deductions
 - capital gains tax treatment
 - rollovers

- death benefits
- franking credits
- explain taxation issues related to retirement planning.

Legal environment - disclosure and compliance

- describe the role of the representative or adviser
- discuss the application of relevant legal principles contained in:
 - Corporations Act
 - ASIC Act
 - Privacy Act
- discuss the relationship between ethics and regulatory requirements (e.g. good faith, utmost good faith, full disclosure of remuneration and fees and any other conflicts of interest which may influence the adviser)
- explain the relevance of industry codes of conduct
- describe compliant resolution procedures (external and, if relevant, internal).

Assessment Conditions

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

- organisational financial records
- organisational policy and procedures
- special purpose tools, equipment, materials and industry software packages.

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>