



Australian Government

FNSSMS603 Apply legislative and operational requirements to advising in self-managed superannuation funds

Release: 1

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Modification History

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

Application

This unit covers the skills and knowledge required to advise clients on the legislative and operational requirements of a self-managed superannuation fund and the responsibilities of a client (trustee).

It applies to individuals who maintain current legislative and specialised industry knowledge to respond to enquiries and assist clients with complex needs and 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

Self-managed superannuation

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 knowledge of client regarding self-managed superannuation funds	1.1 Advise client on features, structures and operations of self-managed superannuation fund 1.2 Inform client of roles played by trustee, specialist advisers and regulators 1.3 Inform client of process to appoint trustees and explain trustee duties, responsibilities and liabilities 1.4 Advise client of key issues and associated risks to be considered when evaluating self-managed superannuation fund applications

ELEMENT	PERFORMANCE CRITERIA
	1.5 Advise client of steps required to establish self-managed superannuation fund 1.6 Explain to client process of winding up self-managed superannuation fund
2. Advise client on relevant legislative requirements	2.1 Identify sources of legislative information appropriate to self-managed superannuation funds 2.2 Advise client on legislative requirements that apply to self-managed superannuation fund 2.3 Advise client of role of principal regulator in managing self-managed superannuation funds 2.4 Inform client of ongoing legislative requirements to maintain compliant self-managed superannuation fund 2.5 Inform client of consequences of self-managed superannuation fund becoming non-compliant
3. Advise client on relevant operational requirements	3.1 Identify sources of operational information appropriate to self-managed superannuation funds 3.2 Advise on operational requirements that apply to client 3.3 Inform client regarding operation of trust deeds and ongoing deed amendment 3.4 Advise client of requirements for establishing investment strategy, considering investment restrictions for self-managed superannuation fund 3.5 Advise client of application of Superannuation Industry (Supervision) (SIS) Act preservation rules on fund monies
4. Identify and explain implications for contributions to client	4.1 Advise client on regulations regarding eligibility to contribute to self-managed superannuation fund 4.2 Advise client on contribution rules, including in specie contributions of business real property 4.3 Advise client on allocation of contributions to individual member accounts 4.4 Advise client to seek advice for higher level, specialist and/or comprehensive advice if required
5. Identify and explain implications for benefits to client	5.1 Explain requirements for accessing assets in self-managed superannuation funds for payments of benefits to client 5.2 Explain key features, characteristics and risks of different types of self-managed superannuation fund income streams to client

ELEMENT	PERFORMANCE CRITERIA
	5.3 Explain process of setting up income stream from self-managed superannuation fund to client 5.4 Explain calculation and operation of member accounts in both accumulation and pension phases to client 5.5 Inform client of treatment of death benefits, including lump sum and pension issues

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	2.1, 3.1	Accesses, comprehends and interprets complex documents with a high level of technical detail, assessing the accuracy and relevance of the detail
Writing	1.1-1.6, 2.1-2.5, 3.2-3.5, 4.1-4.4, 5.1-5.5	Records and consolidates related information and organises content in a manner that supports the purposes and format of the document, using language and style appropriate for the audience
Oral Communication	1.1-1.6, 2.1-2.5, 3.2-3.5, 4.1-4.4, 5.1-5.5	- Presents information choosing language and register appropriate to the audience - Asks questions and listens to responses from clients using appropriate register, vocabulary and paralinguistic features
Numeracy	1.1, 3.5, 4.2, 4.3, 5.3-5.5	Extracts, comprehends and analyses mathematical information embedded in a range of complex documents and performs basic calculations related to superannuation funds
Navigate the world of work	2.1-2.5, 2.1-2.5, 3.1-3.5, 4.1-4.4, 5.1-5.5	Accepts responsibility for providing advice according to requirements of own role and relevant legislation
Interact with others	1.1-1.6, 2.2-2.5, 3.2-3.5, 4.1-4.4, 5.1-5.5	- Uses a range of strategies and reads verbal and non-verbal signals to establish a sense of connection, build rapport and develop a business relationship with clients - Selects and uses appropriate conventions and protocols when liaising or sharing information

Get the work done	1.1-1.6, 2.1-2.5, 3.1-3.5, 4.1-4.4, 5.1-5.5	- Plans, organises and implements tasks, aiming to achieve them efficiently and to meet needs of clients - Applies systematic and analytical decision-making processes to give advice in complex and non-routine situations - Uses the main features and functions of digital tools to complete work tasks and to access information
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Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSSMS603 Apply legislative and operational requirements to advising in self-managed superannuation funds	FNSSMS603A Apply legislative and operational requirements to advising in self-managed superannuation funds	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 FNSSMS603 Apply legislative and operational requirements to advising in self-managed superannuation funds

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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 effective communication and interpersonal skills to advise clients on the legislative and operational requirements to be considered for their self-managed superannuation funds including:
 - establishment and winding up
 - role and responsibilities of trustee.

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:

- interpret and describe the application of Superannuation Industry (Supervision) (SIS) preservation rules and Australian Taxation Office (ATO) guidelines
- outline the features, structure and operation of self-managed superannuation funds
- establish the investment strategy for a self-managed superannuation fund
- analyse and discuss the key issues to consider when evaluating self-managed superannuation funds
- identify and interpret the legislative requirements to maintain a self-managed superannuation fund
- describe the operations of trust deed and ongoing deed amendments
- evaluate special self-managed superannuation fund investment strategies, including borrowing and lending restrictions
- analyse the sole purpose test relating to appropriate and inappropriate self-managed superannuation fund investments
- describe the steps required to establish a self-managed superannuation fund

- discuss the winding up of a self-managed superannuation fund and transfer of benefits.

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:

- organisation financial records
- organisational policy and procedures
- common office equipment, technology, industry software packages and consumables.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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