



Australian Government

Department of Education, Employment and Workplace Relations

FNSASICW503A Provide advice in Securities

Revision Number: 1

FNSASICW503A Provide advice in Securities

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to satisfy the training requirements of current Australian Securities and Investments Commission (ASIC) Australian Financial Services (AFS) licensing at Tier 1 level in the Securities specialist area.
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Application of the Unit

Application of the unit	This unit applies to job roles involving the provision of financial products and service advice to clients.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		
	FNSFMK502A	Analyse financial market products for client
	FNSFMK503A	Advise clients on financial risk
	FNSCUS505A	Determine client requirements and expectations
	FNSCUS506A	Record and implement client instructions

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Establish relationship with client and identify client's objectives, needs and financial situation	1.1. The financial products and services knowledge level of the client is established 1.2. Enquiries in relation to Securities products and services are responded to by explaining the range of products and services available and their relevant fee and charging methodology 1.3. Client is informed of the role of the adviser and the licensee or principal responsible for the adviser's conduct including procedures for complaints handling and the circumstances in which they should be engaged 1.4. The client's personal, financial and business details are obtained and their needs identified by encouraging expression of their objectives and goals 1.5. Product risk profile of the client and their expectations of cash flow and relevant taxation obligations are established
2. Analyse client's objectives, needs, financial situation and risk profile to develop appropriate strategies and solutions	2.1. An assessment of client's needs is undertaken, utilising all information gathered and taking into account client's product expectations and specific needs 2.2. Client is consulted throughout the analysis for further clarification where necessary 2.3. The need for specialist advice is analysed and the client is referred to appropriate adviser for higher level or specialist advice if required 2.4. Product risk profile of the client is assessed and agreed demonstrating understanding of the ASIC identified generic and specialist knowledge relevant to the products being offered 2.5. An appropriate strategy to provide for identified needs and outcomes is determined from analysis of products, client risk profile and assessment of their needs 2.6. Relevant research, analysis and product modelling is conducted and an appropriate solution, plan, policy or transaction drafted for presentation to the client
3. Present appropriate strategies and solutions to client and negotiate a financial	3.1. Product knowledge appropriate for the service or product offered is demonstrated when presenting the product 3.2. The proposed transaction is explained and discussed

ELEMENT	PERFORMANCE CRITERIA
plan, policy or transaction	with the client in a clear and unambiguous way 3.3.Relevant details, terms and conditions of product/service are reinforced to client 3.4.Impacts and possible risks of the solution are disclosed in a clear and concise manner to the client 3.5.Client is provided with written supporting documentation and guided through the key aspects of the documentation 3.6.Concerns or issues the client has regarding the proposed plan, policy or transaction are discussed and clarified 3.7.Confirmation is sought from client that they understand the proposed plan, policy or transaction
4. Agree the plan, policy or transaction and complete documentation	4.1.The client's formal agreement to the proposed plan, policy or transaction is gained 4.2.Associated fee and cost structures and timeframes for execution and processing are clearly explained and confirmation of understanding gained from the client 4.3.Proposal and all other statutory and transactional documents are completed and signed off by the client 4.4.Copies of appropriate documentation and the signed agreement are exchanged
5. Provide ongoing service where requested by client	5.1.Type and form of ongoing service including reporting on performance and review of plan, policy or transaction is agreed with the client 5.2.Fees and costs for ongoing and specifically defined service are clearly explained and confirmation of understanding gained from the client 5.3.Ongoing service is provided as required

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- communication skills to:
 - determine and confirm client requirements, using questioning and active listening as required
 - negotiate financial service transactions with clients
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- literacy skills to:
 - read and interpret documentation from a variety of sources
 - analyse information and products to ensure appropriateness to client needs, currency and accuracy
 - complete documentation accurately
- research and analysis skills for accessing, interpreting and managing complex information
- numeracy and IT skills to:
 - interpret financial information and calculate client costs, risks and returns
 - access and use appropriate software such as spreadsheets and databases
 - use internet information
- interpersonal skills to establish rapport with clients and to liaise with other team members
- self-management skills for complying with ethical, legal and procedural requirements
- learning skills to maintain knowledge of products and services and any changes to compliance legislation and requirements
- judgement skills for forming suitable and ethical recommendations in advising situations
- organisational and time management skills to sequence tasks, meet timelines and arrange meetings

Required knowledge

- the economic environment, characteristics and impact of economic and business cycles, including:
 - interest rates
 - exchange rates
 - inflation
 - government monetary and fiscal policies
- the operation of financial markets and the roles played by intermediaries and

REQUIRED SKILLS AND KNOWLEDGE

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- structure and inter-relationships within financial markets and inter-relationships between industry sectors
- financial products, including:
 - the concept of a financial product
 - general definition
 - specific inclusions and exclusions
 - types of financial investment products
 - types of financial risk products
- taxation issues in relation to Securities, financial products and markets in which they operate
- advisory functions including:
 - the role of the representative or adviser
 - participants in the advisory services market
 - range of services provided
 - profile and financial information of the client
 - appropriateness of a risk assessment
 - relevant industry codes of practice and conduct
- complaints resolution procedures (internal and external)
- regulator guidelines including the requirements of ASIC
- operation of Securities markets including:
 - market participants
 - roles played by intermediaries
- types of products:
 - range of securities
 - associated risks
 - investment options using securities product
 - alternative products (e.g. derivatives) (where relevant)
- theories of investment, portfolio management and management of investment and risk:
 - investment concepts
 - investment strategies
 - identification of types of risk
 - client risk profile
- 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 (FSRA), Trade Practices Act)
 - Australian Securities Exchange (ASX) Operating Rules (where relevant)

REQUIRED SKILLS AND KNOWLEDGE

- 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's recommendation

Evidence Guide

EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the ability to:

- interpret and comply with industry regulations and codes of practice
- analyse client's needs and advise them ethically and accurately on Securities products and services
- assess the impacts of taxation on client's financial requirements for specific products offered.

Context of and specific resources for assessment

- Assessment must ensure:
- competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment
- access to and the use of a range of common office equipment, technology, software and consumables
- access to Securities product information.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:

- evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency
- verbal or written questioning on underpinning knowledge and skills
- setting and reviewing business scenarios
- evaluating samples of work
- accessing and validating third party reports.

Guidance information for assessment

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<i>Adviser</i> may include:	• all natural persons who provide financial product advice to retail clients • any representative of a licensee • employee or owner.
Client <i>needs</i> , objectives and financial situation may include:	• business needs • debt position • expectations of access to product • expectations of income from this product • expectations of life cycle and length of product • family income • security.
Client <i>objectives and goals</i> may be:	• long-term • medium-term • short-term.
<i>Product risk profile</i> may include:	• access restrictions on product • borrowing risk/gearing • economic • market and sector risks: • economic cycle • fixed interest • property • stock market • risk factors and return expectations • specific product risk • volatility of income and capital.
Client <i>expectations</i> may include:	• active • beliefs about performance • conservative • fluctuations in income and/or capital • long-term or short-term investor • moderate • passive

RANGE STATEMENT	
	• risk • security • speculator.
The type of information to be obtained from the client may include:	• details of liabilities and potential liabilities of the client • details of the client's needs and objectives for income, security, liquidity, and the time period the client is planning for • individual investment preferences and aversion or tolerance to risk • other client details such as: • employment security • likely events and their impact on the client • age • other products they have.
Documentation may include:	• disclaimers • disclosures • product application forms • written advice.

Unit Sector(s)

Unit sector	ASIC units
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		