



Australian Government

Department of Education, Employment and Workplace Relations

FNSASICZ503A Provide advice in Financial Planning

Revision Number: 1

FNSASICZ503A Provide advice in Financial Planning

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit when combined with industry specified units has been specifically designed to satisfy the skill requirements of current Australian Securities and Investments Commission (ASIC) regulation (Financial Services Reform Act) at Tier 1 (Diploma) level
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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		
	FNSFPL501A	Comply with financial planning practice ethical and operational guidelines and regulations
	FNSFPL502A	Conduct financial planning analysis and research
	FNSFPL503A	Develop and prepare financial plan
	FNSFPL504A	Implement financial plan

Prerequisite units		
	FNSFPL505A	Review financial plans and provide ongoing service

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	1.1. A range of communication and interpersonal skills are used to establish the knowledge level of client 1.2. Enquiries in relation to 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/principal responsible for the adviser's conduct 1.4. Familiarity with the procedures for complaints handling and the circumstances in which they should be engaged is demonstrated
2. Identify client's objectives, needs and financial situation	2.1. A range of communication and interpersonal skills are used to gather the clients' personal, financial and business details 2.2. Client's needs are identified by encouraging expression of their objectives and goals (short-, medium- and long-term goals as relevant to the product) 2.3. Product risk profile of the client is identified 2.4. Client's attitudes and expectations of cash flow and relevant taxation obligations are obtained
3. Analyse client's objectives, needs, financial situation and risk profile	3.1. An assessment of client needs is undertaken, utilising all information gathered and taking into account client's product expectations and specific needs 3.2. Client is consulted throughout the analysis for further clarification where necessary 3.3. The need for specialist advice is analysed and/or client is referred to appropriate adviser for higher level/specialist advice if required 3.4. Product risk profile of the client is assessed and agreed 3.5. Understanding of the ASIC identified generic and specialist knowledge relevant to the products being offered, as detailed in the evidence guide, is demonstrated
4. Develop appropriate strategies and solutions	4.1. An appropriate strategy to provide for identified needs and outcomes is determined from analysis of products, client risk profile and assessment of clients' needs

ELEMENT	PERFORMANCE CRITERIA
	4.2.Relevant research, analysis and product modelling is conducted 4.3.Appropriate solution (plan, policy or transaction) is drafted for presentation to client
5. Present appropriate strategies and solutions to client	5.1.Product knowledge appropriate for the service or product offered is demonstrated when presenting the product 5.2.The proposed transaction is explained and discussed with the client in a clear and unambiguous way 5.3.Relevant details, terms and conditions of product/service are reinforced to client 5.4.Impacts and possible risks of the solution are disclosed in a clear and concise manner to the client 5.5.Client is provided with written supporting documentation and guided through the key aspects of the documentation
6. Negotiate financial plan/policy/transaction with client	6.1.Concerns and/or issues the client has regarding the proposed plan/policy/transaction are discussed and clarified 6.2.Confirmation is sought from client that they understand the proposed plan/policy/transaction
7. Coordinate implementation of agreed plan/policy/transaction	7.1.The clients' formal agreement to the proposed plan/policy/transaction is gained 7.2.Associated fee and cost structures are clearly explained and confirmation of understanding gained from the client 7.3.Timeframes for execution and processing are clearly explained and confirmation of understanding gained from the client
8. Complete and maintain necessary documentation	8.1.Proposal and all other statutory and transactional documents are completed and signed off by the client 8.2.Copies of appropriate documentation and the signed agreement are exchanged
9. Provide ongoing service where requested by client	9.1.Type and form of ongoing service; including reporting on performance and review of plan/policy/transaction is agreed with the client 9.2.Fees and costs for ongoing and specifically defined service are clearly explained and confirmation of understanding gained from the client

ELEMENT	PERFORMANCE CRITERIA
	9.3.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

Generic knowledge requirements

- the economic environment, the characteristics and impact of economic and business cycles, including:
 - interest rates
 - exchange rates
 - inflation

REQUIRED SKILLS AND KNOWLEDGE

- government monetary and fiscal policies
- the operation of financial markets, the roles played by intermediaries and issuers, structure and inter-relationships within the financial markets, and inter-relationship between industry sectors
- characteristics of 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 the products and markets in which they operate
- advisory functions including:
 - the role of the representative/adviser
 - participants in the advisory services market
 - range of services provided
 - profile and financial information of the client
 - appropriateness of a risk assessment
- the legal environment and disclosure and compliance, the role of the representative/adviser, relevant legal principles such as:
 - Corporations Act
 - Financial Services Reform Act (FSRA)
 - Trade Practices Act
- relevant industry codes of practice and conduct
- complaints resolution procedures (internal and external)
- regulator's guidelines including the requirements of ASIC

Specialist knowledge requirements

- **Theories of investment, portfolio management and management of investment and risk:**
 - range of financial products
 - types of investment products such as:
 - cash
 - fixed interest
 - property
 - equities
 - managed investments
 - types of financial risk products such as:
 - risk insurance

REQUIRED SKILLS AND KNOWLEDGE

- derivatives
- investment concepts
- investment strategies
- identification of types of risk
- client risk profile
- **Advisory functions:**
 - the role of financial planner
 - participants in the advisory services market
 - range of services provided
 - the financial planning process
- **Legal environment - disclosure and compliance:**
 - the role of the representative/adviser
 - relevant legal principles (e.g. Corporations Act, ASIC Act, Privacy Amendment (Private Sector) Act)
 - the relationship between ethics and regulatory requirements such as:
 - good faith
 - utmost good faith
 - full disclosure of remuneration/fees and any other conflicts of interest which may influence the adviser's recommendation
 - relevant industry standards and codes of conduct
 - regulators' guidelines including ASIC's requirements in this policy
 - complaints resolution procedures (external and, if relevant, internal)
- **Taxation:**
 - the Australian taxation and social security systems
 - relevant taxation laws and regulations
 - effects of taxation on particular financial products
 - effects of taxation on financial strategies of individuals and entities
- **Estate planning:**
 - theory of estate planning such as:
 - allowable investments
 - enduring and non-enduring powers of attorney
 - share purchase agreements
 - management and investment strategies
 - relevant taxation laws and regulations

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:

- apply knowledge of industry regulations and codes of practice, financial products and services, financial markets and characteristics, roles of other specialist providers and licensees, as well as the impacts of taxation on the clients financial requirements for the specific products offered.

NB for insurance products, competency in this unit is subject to the staff members' approval/authority to accept the transfer of risk.

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 financial services 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
- observing processes and procedures in workplaces or role plays
- verbal or written questioning on underpinning knowledge and skills
- setting and reviewing workplace projects and business simulations or scenarios
- evaluating samples of work
- accessing and validating third party reports.

EVIDENCE GUIDE**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.
<i>Clients' personal, financial and business details</i> may include:	• details of liabilities and potential liabilities of the client • details of the client's needs and objectives for: • income • security • liquidity • 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.
<i>Risk assessment</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.
<i>Client attitudes and expectations</i> may include:	• personal involvement: • active • passive • risk profile: • conservative • speculator

RANGE STATEMENT	
	• moderate • their beliefs about performance • expectations of fluctuations in income or capital • being a long-term or short-term investor • need for security.
<i>Client's needs, objectives and financial situation</i> may include:	• business needs • debt position • expectations of access to product • expectations of income from this product • expectations of lifecycle and length of product • family income • security.
<i>Documentation</i> may include:	• computer and manual applications • 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		