



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **FNSFPL507A Provide financial planning advice**

**Revision Number: 1**

## FNSFPL507A Provide financial planning advice

### Modification History

Not applicable.

### Unit Descriptor

|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <b>Unit descriptor</b> | <p>This unit describes the performance outcomes, skills and knowledge required to provide financial advice to clients when presenting preliminary, amended or final financial plans depending on the level of client contact appropriate for the representative.</p> <p>This unit is applicable to individuals working within enterprises and job roles subject to licensing, legislative, regulatory or certification requirements including legislation administered by the Australian Securities and Investments Commission (ASIC).</p> |
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### Application of the Unit

|                                |                                                  |
|--------------------------------|--------------------------------------------------|
| <b>Application of the unit</b> | This unit has application to financial planners. |
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### Licensing/Regulatory Information

Not applicable.

### Pre-Requisites

|                           |  |  |
|---------------------------|--|--|
| <b>Prerequisite units</b> |  |  |
|                           |  |  |
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## Employability Skills Information

|                             |                                          |
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| <b>Employability skills</b> | This unit contains employability skills. |
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## Elements and Performance Criteria Pre-Content

|                                                                   |                                                                                                                                                                                                                                                                                                                  |
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| 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. Create rapport with the client         | <p>1.1. <b>Disclosure of capacity to client</b> is consistent with <b>codes of practice and legislative requirements</b>, and organisational requirements and client concerns, if any, are identified and responded to appropriately</p> <p>1.2. Services are explained to client when appropriate, including in writing, in a clear and unambiguous way, avoiding jargon and in a language appropriate to the level of financial understanding of the client</p> <p>1.3. Client is assisted to make informed choices using relevant <b>documentation</b></p> <p>1.4. Client's needs and objectives are addressed consistent with their budgetary situation</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2. Discuss financial plan with the client | <p>2.1. The scope and limitations of the plan and or advice is clearly explained to the client together with provision of appropriate warnings</p> <p>2.2. Strategies and recommendations in the financial plan are explained and discussed with the client in a clear and unambiguous way</p> <p>2.3. <b>Financial plan</b> documentation is prepared, explained and discussed with the client when appropriate</p> <p>2.4. Impact of key aspects of the recommendations is disclosed in a clear and concise manner to the client</p> <p>2.5. Client is guided through the key aspects of the strategies proposed when appropriate with <b>product</b> knowledge appropriate for the service or advice offered demonstrated</p> <p>2.6. Assumptions used in formulating the plan and the degree to which variations in the assumptions may impact the client's expected outcomes is explained</p> <p>2.7. Requirements to put the recommended plan into effect are explained to the client with any areas in the plan that may require further advice identified and noted</p> <p>2.8. Copies of the research and other relevant documentation are provided to the client if requested and confirmation sought that the client understands all recommendations presented</p> <p>2.9. Agreement in principle to proceed is obtained from the client</p> <p>2.10. Appropriate level of <b>after sales service</b> to be</p> |

| ELEMENT                                          | PERFORMANCE CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                  | provided is clearly defined, and communicated to the client                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3. Negotiate effectively                         | <p>3.1. Clients are assisted when necessary to make appropriate decisions regarding solutions to their needs and objectives within the scope of the plan with alternatives to recommendations presented when requested</p> <p>3.2. Limits imposed by regulatory requirements or organisation guidelines are observed</p> <p>3.3. Restraint and composure are exercised when dealing with any conflict situations involving clients</p> <p>3.4. Communication channels are maintained when dealing with any complaints and following internal or external complaint handling procedures</p>                                                                                                                                                                                                                                                            |
| 4. Complete and maintain necessary documentation | <p>4.1. Financial plan is adjusted according to changes agreed to by the client</p> <p>4.2. Proposals and other documents are completed and signed off when plan is agreed between the client and authorised representative</p> <p>4.3. Implementation actions required by the client are clearly identified and written agreement to actions is obtained</p> <p>4.4. Client records are created or updated with any contract variations completed if required</p> <p>4.5. Confirmation including relevant documentation and contract variation is provided to the client and final plan implemented</p> <p>4.6. Customer advice is recorded in accordance with the organisation guidelines and or financial plan documentation requirements</p> <p>4.7. Client signatures on instructing and or purchasing documents are obtained where required</p> |

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

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

#### Required skills

- highly developed communication skills to:
  - determine and confirm client requirements, using questioning and active listening as required
  - liaise with others, share information, listen and understand
  - use language and concepts appropriate to cultural differences
- well-developed research skills such as:
  - accessing and managing information
  - interpreting documentation
- well-developed numeracy skills to accurately analyse, record and store data in accordance with client and organisational requirements
- IT skills for accessing and using appropriate software such as spreadsheets and databases and using internet information
- self-management skills for complying with ethical, legal and procedural requirements
- learning skills to maintain knowledge of changes to compliance legislation
- interpersonal skills to establish rapport with clients and to liaise with other planning team members
- organisational and time management skills to sequence tasks, meet timelines and arrange meetings

#### Required knowledge

- generic products available in the financial services industry
- impact of relevant economic, taxation and social security policy on the client's financial planning needs
- impact of relevant estate planning considerations on the client's financial planning needs
- investment and savings vehicles, financial markets, asset classes and investment characteristics
- investment risk factors and relationship to return expectations
- relevant codes of practice and industry financial plan documentation requirements
- requirements related to the disclosure of capacity
- the role of the financial planning adviser and the financial planning practice
- the terms of the acts and regulations affecting the financial services industry

## 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:

- comply with industry regulations and codes of practice
- use knowledge of a defined range of financial products as set out in organisation guidelines, financial markets and investment characteristics
- assess impacts of taxation, social security, economic and other government policies on client investment and financial requirements within the range of products known to the adviser
- create rapport with the client and discuss financial plans and complete and maintain all necessary documentation.

#### 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.

#### 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 which may include formal examinations
- setting and reviewing workplace projects and business simulations/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.

***Disclosure of capacity to client*** will include:

- name and address of the registered adviser
- any relationship the adviser and/or his/her organisation have with products mentioned in the financial plan
- a statement indicating whether the adviser is only accredited to sell or advise on a restricted range of products
- the means of remuneration of the adviser
- who is responsible for the adviser's conduct.

Relevant ***codes of practice and legislative requirements*** may include:

- Australian Securities Investment Commission (ASIC) regulations
- Consumer Affairs Act
- Consumer Credit Code
- contract law
- Corporations Act
- industry codes of practice
- Privacy Act
- social security regulations
- State and Territory legislation
- Taxation Acts
- Trade Practices Act
- trust law.

***Documentation*** may include:

- disclaimers
- disclosures
- Eligible Termination Payment (ETP) forms
- written advice.

***Financial plans*** include:

- preliminary, amended, and final financial plans presented as part of an initial or ongoing service.

***Products*** include, but are not limited to:

- cash deposits
- derivatives
- direct deposits
- equities
- futures
- insurance products

| RANGE STATEMENT                       |                                                                                                                                                                                                                                    |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | <ul style="list-style-type: none"><li>• managed investments</li><li>• superannuation.</li></ul>                                                                                                                                    |
| <i>After sales service</i> may occur: | <ul style="list-style-type: none"><li>• on a quarterly, half-yearly or yearly basis</li><li>• if and when required by the client</li><li>• in person or using the appropriate media and by the adviser or a third party.</li></ul> |

## Unit Sector(s)

|             |                    |
|-------------|--------------------|
| Unit sector | Financial planning |
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## Competency field

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|------------------|--|
| Competency field |  |
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## Co-requisite units

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| Co-requisite units |  |  |
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