



Australian Government

Department of Education, Employment and Workplace Relations

FNSSMS601A Provide advice in self-managed superannuation funds

Revision Number: 1

FNSSMS601A Provide advice in self-managed superannuation funds

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to provide advice in self-managed superannuation funds. It encompasses the ability to establish relationships with clients, identify and analyse their objectives needs and financial situation and risk profile to develop and present appropriate strategies and solutions, negotiate financial plan and coordinate its implementation maintaining necessary documentation and providing ongoing service where requested by client. 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).
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Application of the Unit

Application of the unit	This unit applies to advisory job roles in the superannuation sector.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

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 the 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 client's personal, financial and business details 2.2. Client 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 expectations of cash flow and relevant taxation obligations are obtained
3. Analyse client's objective, needs, financial situation and risk profile	3.1. An assessment of client needs is undertaken, utilising all information gathered and taking into account clients product expectations and specific needs 3.2. Clients are 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 Australian Securities and Investments Commission (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

ELEMENT	PERFORMANCE CRITERIA
	products, client risk profile and assessment of client's needs 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 the 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. Client's 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

ELEMENT	PERFORMANCE CRITERIA
	service are clearly explained and confirmation of understanding gained from the client 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

- highly developed communication skills to:
 - liaise with others, share information, using questioning and active listening as required
 - use language and concepts appropriate to cultural differences
- well-developed literacy skills to:
 - read and interpret documentation from a variety of sources and record and consolidate related information
 - assess the currency and accuracy of documents held including application forms, customer advice records, customer information, brochures, etc.
- numeracy and IT skills for:
 - identifying and using statistical models
 - accessing and using appropriate software such as word processors, spreadsheets and databases
 - using internet information
- organisational skills, including the ability to plan and sequence work
- needs analysis skills
- analytical skills
- presentation skills
- well-developed customer negotiation skills

Required knowledge

Generic knowledge requirements

- economic environment, the characteristics and impact of economic and business cycles, including interest rates, exchange rates, inflation, and government monetary and fiscal policies
- 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
- 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, 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
- legal environment and disclosure and compliance, the role of the

REQUIRED SKILLS AND KNOWLEDGE

representative/adviser, relevant legal principles (e.g. Corporations Act, FSRA, Trade Practices Act), the relationship between ethics and regulatory requirements (e.g. 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 codes of practice and conduct
- complaints resolution procedures (internal and external)
- regulators' guidelines including the requirements of ASIC policy relevant product areas

Specialist knowledge requirements

- operation and management of self-managed superannuation funds
- characteristics and structure of a superannuation product
- roles played by intermediaries and issuers
- types of superannuation products
- fee structure/administration and management costs
- types of contributions
- annuities/pensions, allocated pensions and income stream products
- associated risks
- structure of superannuation plans management and administration of superannuation products
- preservation rules
- investment strategies within superannuation funds
- restrictions on investment strategies

Taxation

- impact on investment earnings
- employer and employee contributions
- benefit payments and expenses
- tax deductions
- capital gains tax treatment
- rollovers
- reasonable benefit limits
- superannuation surcharge
- social security pension eligibility
- retirement planning
- death benefits
- franking credits

Legal environment - disclosure and compliance

REQUIRED SKILLS AND KNOWLEDGE

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

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:

- utilise a range of communication and interpersonal skills to gather client's personal, financial and business related details to identify client's objectives, needs and financial situation
- analyse clients objectives, needs, financial situation and risk profile using knowledge of ASIC generic and specialist knowledge requirements relevant to the products being offered
- develop and present appropriate strategies and solutions and negotiate and execute financial plan/policy/transaction
- complete statutory and transactional documents
- present ongoing service where requested by client

NB for insurance products, competence 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 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 organisation financial records, policies and procedures.

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
- verbal or written questioning on underpinning knowledge and skills
- evaluating samples of work
- accessing and validating third party reports

EVIDENCE GUIDE	
	• setting and reviewing workplace business simulations or scenarios.
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>Clients</i> may include:	• member or beneficiary • prospective member • trustee or member of self-managed superannuation fund.
<i>Adviser</i> may include:	• accountant • all natural persons who provide financial product advice to retail clients • employee or owner • financial planner • lawyer • licensee or any representative.
<i>Client needs</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>Risk profile</i> might 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 expectations</i> may include:	• personal involvement: • active • passive • risk profile: • conservative • speculator • moderate

RANGE STATEMENT	
	• their beliefs about performance • expectations of fluctuations in income or capital • being a long-term or short-term investor • need for security.
Information gathered might include:	• details of liabilities and potential liabilities of the customer • details of the customers' needs and objectives for income, security, liquidity, and the time period the customer is planning for • individual investment preferences and aversion or tolerance to risk • other customer details such as employment security, likely events and their impact on the customer, age and other products they have.
Documentation may include:	• computer and manual applications • disclaimers • disclosures • product application forms • written advice.

Unit Sector(s)

Unit sector	Self-managed superannuation
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Competency field

Competency field	
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Co-requisite units

Co-requisite units	FNSSMS501A	Invest self-managed superannuation fund assets
	FNSSMS602A	Apply taxation requirements when advising in self-managed superannuation funds
	FNSSMS603A	Apply legislative and operational requirements to advising in self-managed superannuation funds
	FNSSMS505A	Support trustee in the selection and performance monitoring of outsourced services