



Australian Government

Department of Education, Employment and Workplace Relations

FNSTPB501A Apply legal principles in corporations and trusts law

Release: 1

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Modification History

Release	Comments
Release 1	This Unit of Competency first released with <i>FNS10 Financial Services Training Package version 3.0</i> .

Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to apply legal principles in corporation and trusts law matters.

Application of the Unit

This unit applies to individuals who apply knowledge of a range of principles in corporation and trusts law matters. Its application in the workplace will be determined by the job role of the individual and the legislation, rules, regulations and codes of practice relevant to different jurisdictions.

Licensing/Regulatory Information

This unit may apply to job roles subject to licensing, legislative, regulatory or certification requirements; Commonwealth, State or Territory requirements should be confirmed with the relevant body.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Element	Performance Criteria
<i>Elements describe the essential outcomes of a unit of competency.</i>	<i>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.</i>

Elements and Performance Criteria

1. Research legal aspects of corporations and trusts law	1.1 Research corporation and trusts law and related legislation, regulation and practice 1.2 Identify different types of corporations and trust law transactions and clearly outline their legal context, establishment procedures and purpose 1.3 Identify relevant legal principles applying to corporations and trusts matters
2. Analyse issues and risks associated with the operation of a business	2.1 Identify areas of risk in the application of law in corporations and trusts matters 2.2 Analyse how legal issues impact on different types of business structures 2.3 Evaluate the relevance and implication of risks for the structure, operation and performance of different types of business structures 2.4 Assess the ways in which risk mitigation is addressed in the formation and operation of different types of business structures
3. Apply knowledge of law to business structures	3.1 Collect and collate business information for analysis 3.2 Interpret, analyse and process available information to obtain required knowledge 3.3 Seek advice and guidance of specialist expertise where required, to interpret, analyse and synthesise 3.4 Provide advice based upon identified facts and relevant law
4. Maintain legal knowledge	4.1 Relevant legal sources are reviewed regularly and any changes are applied in daily work 4.2 Systems for maintaining up-to-date knowledge about relevant legal aspects of corporations and trusts law are put in place and used

Required Skills and Knowledge

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

Required skills

- communication skills to:

- liaise with others, share information, provide advice and guidance
- use language and concepts appropriate to cultural differences
- research skills to:
 - access and interpret legislation, regulation and precedent
 - identify corporations and trusts law related matters that have the potential to impact on businesses
- literacy skills to analyse information needs and prepare clear written advice
- learning skills to maintain knowledge of changes to legislation and requirements
- problem solving skills to:
 - apply statute, regulation and precedent to a client's circumstances
 - develop options to resolve client related matters when they arise
- organisational skills, including the ability to plan and sequence work.

Required knowledge

- operation of the Australian legal systems and processes relevant to corporations and trusts law
- legal concepts of business organisational structures, and underlying regulation including:
 - public and private companies
 - trusts
 - partnerships
 - sole traders
- key features of Australian corporations law and requirements relating to:
 - nature of a company
 - company registration
 - promoters and pre-registration contracts
 - company constitution and replaceable rules
 - contracting with others
 - fundraising
 - share capital
 - members meetings
 - corporate management
 - directors duties
 - members remedies
 - insolvency
- legal concepts and scope of law covering trusts:
 - common law
 - equity
 - legislation

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: • demonstrate knowledge and understanding of the corporations and trusts law such that current statute, common law and equitable principles can be applied, to particular fact circumstances in order to provide advice • draw conclusion having regard to the facts and relevant law • access information on relevant legislation, statutes, regulation and legal judgements
Context of and specific resources for assessment	Assessment must ensure: • competency is demonstrated in the conditions specified in the range statement either in a relevant workplace or a closely simulated work environment
Method of assessment	A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit: • analysis of responses to case studies and scenarios • direct questioning combined with review of portfolios of evidence and third-party workplace reports of on-the-job performance by the candidate • observation of role plays • review of documentation outlining the legal obligations, criteria and purpose • oral or written questioning to assess knowledge of legal terminology, practice and application • conducting a summative assessment of knowledge
Guidance information for assessment	This unit is designed to meet regulatory requirements of the Tax Practitioners Board; assessment must reflect the constraints described by the regulator. These can be accessed on the TPB website and are also reproduced in current regulatory guidelines published on the IBSA website www.ibsa.org.au

	(under training packages/financial services)
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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.

Legislation includes that relating to:	• Australian corporations law • principles of equity applying to trusts • state and territory trusts legislation
Different types of business structures include:	• association • company limited by guarantee • company limited by shares • company limited by shares and guarantee • franchise • holding company • no-liability company • partnerships, including joint ventures, formal and informal • registrable Australian corporation • shelf company • subsidiary company • trusts, including express, discretionary and bare • unlimited company

Unit Sector(s)

Tax practice