

Title	Interpret and demonstrate knowledge of the legal requirements for contracts in credit management		
Level	4	Credits	10

Purpose	<p>People credited with this unit standard are able to demonstrate knowledge of:</p> <ul style="list-style-type: none"> – interpret contracts for credit management; – demonstrate knowledge of business entities in relation to contracts for credit management; – demonstrate knowledge of the law of ownership and transfer of real property; and – demonstrate knowledge of consumer legislation and its application to contracts for credit management.
----------------	--

Classification	Financial Management > Credit Management
-----------------------	--

Available grade	Achieved
------------------------	----------

Guidance Information

- 1 Legislation applicable to this unit standard includes:
 - Companies Act 1993;
 - Consumer Guarantees Act 1993;
 - Contract and Commercial Law Act 2017;
 - Contractual Remedies Act 1979;
 - Credit Contracts and Consumer Finance Act 2003;
 - Fair Trading Act 1986;
 - Income Tax Act 2007;
 - Partnership Act 1908;
 - Personal Property Securities Act 1999;
 - Privacy Act 1993;
 - Property Law Act 2007;
 - associated regulations;
 - and all subsequent amendments and replacements.
- 2 This unit standard may be assessed on-job in the workplace using naturally occurring evidence or in off-job simulated work situations designed to draw upon similar performance to that required in work in a credit administration and/or credit management context.

Outcomes and performance criteria

Outcome 1

Interpret contracts for credit management.

Performance criteria

- 1.1 Identify types of contract, with consideration of their similarities and differences.
Range includes – simple contracts, deeds, guarantees.
- 1.2 Interpret contracts in terms of elements required for validity.
Range includes – offer, acceptance, consideration, intention to create contractual relationships.
- 1.3 Interpret contracts in terms of the authority of agents.
Range includes – express authority, ostensible authority.
- 1.4 Interpret contracts in terms of elements required for discharge.
Range may include but is not limited to – accord and satisfaction, agreement, performance.
- 1.5 Interpret breaches of contracts in terms of remedies available.

Outcome 2

Demonstrate knowledge of business entities in relation to contracts for credit management.

Performance criteria

- 2.1 Describe types of business entities in terms of their legal characteristics.
Range business entities may include but are not limited to – sole trader, partnership, company, joint venture, incorporated society, charitable trust, trading trust, Māori trust; legal characteristics may include but are not limited to – formation, limited liability, name, capital, continuity, transferability of ownership, control, taxation.
- 2.2 Explain the effect of types of business entities on contracts in credit management.

Outcome 3

Demonstrate knowledge of the law of ownership and transfer of real property.

Performance criteria

- 3.1 Explain transfer of ownership and risk, of real property, from seller to buyer in terms of legislation.

- 3.2 Explain the *nemo dat* principle and its exceptions in terms of ownership and possession.

Outcome 4

Demonstrate knowledge of consumer legislation and its application to contracts for credit management.

Performance criteria

- 4.1 Explain provisions relating to credit contracts in terms of the Fair Trading Act.
- 4.2 Explain provisions relating to credit contracts in terms of the Consumer Guarantees Act.
- 4.3 Explain provisions relating to credit contracts in terms of the Credit Contracts and Consumer Finance Act.

Planned review date	31 December 2025
----------------------------	------------------

Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	28 August 2000	31 December 2013
Review	2	28 June 2005	31 December 2021
Rollover and Revision	3	15 November 2012	31 December 2021
Rollover and Revision	4	22 May 2014	31 December 2021
Review	5	18 June 2015	31 December 2023
Review	6	24 September 2020	N/A

Consent and Moderation Requirements (CMR) reference	0121
--	------

This CMR can be accessed at www.nzqa.govt.nz/framework/search/index.do.

Comments on this unit standard

Please contact The Skills Organisation reviewcomments@skills.org.nz if you wish to suggest changes to the content of this unit standard.