

**40655****Establish client investment needs and make investment recommendations**

<b>Kaupae   Level</b>	5
<b>Whiwhinga   Credit</b>	10
<b>Whāinga   Purpose</b>	<p>This skill standard is intended for people who want to work as a financial adviser in the provision of investment services.</p> <p>This skill standard will provide learners with the knowledge and skills to establish client's investment needs and make investment recommendations.</p> <p>This skill standard can be used in programmes leading to the New Zealand Certificate in Financial Services (Level 5) with strand in Investment. [Ref: 2315-3].</p>

**Hua o te ako me Paearu aromatawai | Learning outcomes and assessment criteria**

<b>Hua o te ako   Learning outcomes</b>	<b>Paearu aromatawai   Assessment criteria</b>
1. Gather client information to determine investment needs.	a. Guide the client through the process of collecting personal information.
	b. Collect information to identify client's attitude to and the capacity for managing investment risks.
	c. Collect information to identify client's goals and objectives that could impact on investment needs.
	d. Collect information about client's circumstances that could impact on investment needs.
	e. Determine client investment needs based on collected information.
2. Analyse client information to determine potential impacts on client investment needs.	a. Identify and analyse impacts of potential events for the client and their investment needs.
	b. Analyse information for changes to the client's circumstances and investment needs.
	c. Analyse client's information to determine need for consultation with other specialists.

Hua o te ako   Learning outcomes	Paearu aromatawai   Assessment criteria
3. Implement and monitor recommendations with client.	a. Present solutions to client.
	b. Implement investment recommendations.
	c. Monitor and review client situation to ensure suitability of advice.
	d. Record client information, interactions, analysis, and recommendations.

### Pārongo aromatawai me te taumata paearu | Assessment information and grade criteria

#### *Assessment specifications:*

Assessment should use real or realistic documentation where appropriate. Simulated examples are permitted.

Learners are not expected to use tools and systems that are only available if they are available to a licenced financial advice provider or requiring a licence to use.

Any use of digital advice tools or artificial intelligence will need to be in accordance with relevant organisational and industry codes of conduct and practice.

Evidence of three different client examples with a range of needs and complexities is required.

All activities must comply with legislation, regulations, and best practice, including any guidance notes published by the agency responsible for the relevant enactment or code.

*Client* also includes potential clients. *Client* is intentionally broad to capture all types and include, individuals, partnerships, businesses, families, companies, trusts, charities, organisations, body corporates, and associations as current examples.

### *Ngā momo whiwhinga | Grades available*

Achieved.

### Ihirangi waitohu | Indicative content

Collecting information on client attitude to and capacity for managing risk

- risk profile, risk capacity, risk tolerance
- tools for collecting and assessing risk profile
- responsible use of technology.

Investment goals and objectives

- motivations such as build capital growth, generate an income
- retirement
- succession planning
- specific goals
- life events.

### Client circumstances

- income
- age
- dependents
- expenses/cash flow
- family
- relationship status
- financial situation
- legal structure
- assets
- tax position.

### Investment needs

- client goals
- products and actions would meet client needs
- features and benefits of different solutions
- risks and limitations of investments or services
- services for managed funds, direct equities, direct bonds, crypto currencies
- circumstances of the client.

### Events

- economic – official cash rate, rate of inflation, changes to financial market
- political – regulatory, legislative, political changes and events
- environmental – natural disasters
- social – investor perceptions/trends.

### Potential impacts of events on client financial situation

- asset value fluctuations
- earning capacity/income changes
- net worth changes.

### Further changes to client circumstances

- income loss or gain for client
- marital or relationship status changes
- changes to dependents.

### Implement investment recommendations

- negotiating any variations required for implementation
- arranging client acceptance and sign off.

### Monitor and review investment recommendations

- establishing terms for review
- timetable for review
- responsibilities of the parties
- assessing progress towards goals
- determining any changes needed.

### Rauemi | Resources

- Anti-Money Laundering and Counter Financing of Terrorism Act 2009
- [Code of Professional Conduct for Financial Advice Services](#)
- Consumer Guarantees Act 1993
- Customer vulnerability and expectations for providers - [CustomerVulnerability-  
ourexpectationsforproviders.pdf \(fma.govt.nz\)](#)
- Fair Trading Act 1986
- [Financial Markets Authority - Developing cyber resilience for financial advice providers \(July 2024\)](#)
- Financial Markets Authority- [Understanding Artificial Intelligence in Financial Services \(July 2024\)](#) by Mikayla Pakinga-Lawson, Amie White, Stuart Johnson
- Financial Markets Conduct Act 2013
- Financial Services Legislation Amendment Act 2019
- Income Tax Act 2007
- ISO 22222 Personal Financial Planning - Requirements for personal financial planners, available from <https://www.iso.org>
- KiwiSaver Act 2006
- Privacy Act 2020
- Relevant industry codes of conduct
- Trusts Act 2019;  
and their subsequent amendments or replacements.

### Pārongo Whakaū Kouna | Quality assurance information

<b>Ngā rōpū whakatau-paerewa  </b> Standard Setting Body	Ringa Hora Services Workforce Development Council
<b>Whakaritenga Rārangi Paetae Aromatawai  </b> DASS classification	Service Sector> Financial Services> Financial Services - Professional Practice
<b>Ko te tohutoro ki ngā Whakaritenga i te Whakamanatanga me te Whakaōritenga  </b> CMR	0112

<b>Hātepe   Process</b>	<b>Putanga   Version</b>	<b>Rā whakaputa   Review Date</b>	<b>Rā whakamutunga mō te aromatawai   Last date for assessment</b>
<b>Rēhitatanga   Registration</b>	1	29 May 2025	N/A
<b>Kōrero whakakapinga   Replacement information</b>	N/A		
<b>Rā arotake   Planned review date</b>	31 December 2030		

Please contact Ringa Hora Services Workforce Development Council at [qualifications@ringahora.nz](mailto:qualifications@ringahora.nz) to suggest changes to the content of this skill standard.