

Title	Demonstrate understanding of the role of a bank, the banking regulatory environment, and significance of role boundaries		
Level	5	Credits	5

Purpose	<p>People credited with this unit standard are able to demonstrate understanding of:</p> <ul style="list-style-type: none"> – the role of a bank as financial intermediary – legislative and regulatory framework applicable to the banking sector, and – the role boundaries that exist for risk management purposes.
----------------	---

Classification	Financial Services > Financial Services - Professional Practice
-----------------------	---

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

Guidance Information

1 References

Anti-Money Laundering and Countering Financing of Terrorism Act 2009;
 Code of Banking Practice 2012;
 Consumer Guarantees Act 1993;
 Fair Trading Act 1986;
 Financial Service Providers (Registration and Dispute Resolution) Act 2008;
 Privacy Act 1993;
 Reserve Bank of New Zealand Act 1989;
 and all subsequent amendments and replacements.
 For detailed information on specific requirements in relation to legislation and regulations refer to the Legislation Matrix available at www.skills.org.nz/resources-for-training-providers.

2 Definitions

Bank, banking and derivatives of those terms – the range of organisations and institutions that provide similar services and products, including registered banks and non-bank lenders and deposit takers such as credit unions, finance companies, building societies and other providers of similar services.
Legislation Matrix – a reference list of legislation, regulations, and codes of practice, including specific sections or areas that candidates need to be familiar with for the purposes of assessment against this unit standard. It is available at: www.skills.org.nz/resources-for-training-providers.

3 Range

Assessments requiring application or demonstration of skills and knowledge may be performed using workplace evidence or evidence derived from simulation or scenario based activities.

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.

Outcomes and performance criteria

Outcome 1

Demonstrate understanding of the role of a bank as financial intermediary.

Performance criteria

- 1.1 Explain the core banking functions of financial intermediation and liquidity provision.
- 1.2 Explain the wider banking role as a facilitator of financial transactions between parties.

Outcome 2

Demonstrate understanding of the legislative and regulatory framework applicable to the banking sector.

Performance criteria

- 2.1 Explain and where relevant apply key provisions of legislation and/or regulations listed in the legislation matrix that impact the daily operations of providers of banking services.

Range candidates must identify three daily activities that are constrained by or required because of the regulatory environment.
- 2.2 Outline the purpose of the Code of Banking Practice and apply it to a range of client situations.
- 2.3 Explain the role of the Banking Ombudsman.

Outcome 3

Describe the role boundaries that exist in typical banking organisations to meet risk management and compliance requirements.

Range evidence of three role boundaries and their associated risks are required.

Performance criteria

- 3.1 Describe typical boundaries that exist between operational roles in a banking environment.

3.2 Explain the risks that these boundaries are intended to address and the typical measures that are adopted to monitor compliance.

Range roles may include but are not limited to – direct client interaction, approvals, settlements, cash processing.

Replacement information	This unit standard and unit standard 28361 were replaced by unit standard 31883.
--------------------------------	--

This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.

Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	19 February 2015	31 December 2022
Review	2	23 January 2020	31 December 2022

Consent and Moderation Requirements (CMR) reference	0003
--	------

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