

Title	Demonstrate understanding of the role of regulators and the diversity of service providers in the banking sector		
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 the regulators responsible for the banking sector, and – the differences between types of banking organisations.
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Classification	Financial Services > Financial Services - Professional Practice
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Available grade	Achieved
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Guidance Information

- 1 **References**
 Financial Markets Authority Act 2011;
 Reserve Bank of New Zealand Act 1989;
 Industry codes of practice;
 and all subsequent amendments and replacements.

- 2 **Definition**
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.

- 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

Explain the role of relevant banking sector regulators.

Performance criteria

- 1.1 Explain the role of the Reserve Bank of New Zealand in terms of the regulation of the banking sector.
- 1.2 Explain the role of the Financial Markets Authority in terms of the regulation of the banking sector.

Outcome 2

Demonstrate understanding of the diversity of financial institutions operating in the banking sector.

Performance criteria

- 2.1 Outline the key differences between registered banks and non-bank lenders and deposit takers.
- 2.2 Distinguish banks in terms of their ownership structure.
- 2.3 Outline different types of banks in terms of the type of customer they service and the products and services they offer.
- 2.4 Distinguish different types of banks in terms of risks that arise from their structure or business sector.

Replacement information	This unit standard and unit standard 28359 were replaced by unit standard 31883.
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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
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.