

Title	Demonstrate understanding and application of the regulatory environment for financial services		
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 background to the regulatory environment, and identify the applicability and impact of legislation that is relevant in a broad financial services context. – different categories of clients and types of financial services, and – roles and responsibilities of participants in complaint and dispute handling processes.
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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

Anti-Money Laundering and Countering Financing of Terrorism Act 2009;
 Consumer Guarantees Act 1993;
 Fair Trading Act 1986;
 Financial Advisers Act 2008;
 Financial Advisers (Disclosure) Regulations 2010;
 Financial Service Providers (Registration and Dispute Resolution) Act 2008;
 Privacy Act 1993;
 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

AFA – authorised financial adviser.
QFE adviser – an adviser who is not an AFA and who is an employee or nominated representative of a qualifying financial entity (QFE), for whom the QFE ensures compliance responsibility for each employee and nominated representative of the QFE.
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/.
Formal consequences – penalties or sanctions specified in applicable legislation, regulations and/or codes of practice.

Informal consequences – damage to personal or business reputation, erosion of client base, loss of business value, and/or impacts of a similar nature.

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 background to the regulatory environment, and identify the applicability and impact of legislation that is relevant in a broad financial services context.

Performance criteria

- 1.1 Describe the background to the existence of the regulatory environment for financial services in New Zealand, including the influence of both local and international events and agencies.
- 1.2 Explain and where relevant apply key provisions of identified legislation, regulations, and/or codes of practice listed in the legislation matrix that impact the daily operations of financial services providers.
- Range candidates must identify at least one typical daily work activity that is constrained by or required because of the regulatory environment in respect of each act or regulation identified in the Legislation Matrix.
- 1.3 Describe compliance requirements of relevant legislation, regulations, and codes of practice and apply the provisions in the performance of the candidate's role.
- 1.4 Evaluate legislation, regulations and/or codes of practice listed in the legislation matrix in terms of consequences of non-compliance.
- Range consequences may be both formal and informal.

Outcome 2

Demonstrate understanding of different categories of clients and types of financial services.

Range twelve items. At least two items from each of the evidence requirements. The remaining four can be drawn from any of the evidence requirements.

Performance criteria

2.1 Describe the attributes of different forms of services.

Range categories of advice or services may include but are not limited to – Financial service, Broking service, class service, financial adviser service, investment planning service, licensed service, personalised service, financial advice.

2.2 Describe the attributes of different categories of clients to whom financial services are offered.

Range categories of clients may include – wholesale client, retail client, eligible investor.

2.3 Identify what forms of services can be provided by particular classes of persons.

Range may include but is not limited to – RFA, AFA, QFE adviser, Broker.

2.4 Explain any conduct or disclosure obligations that arise when providing different forms of financial services.

Range categories of advice or services may include but are not limited to – Financial service, Broking service, class service, financial adviser service, investment planning service, licensed service, personalised service, financial advice.

Outcome 3

Demonstrate understanding of the roles and responsibilities of participants in complaints and disputes handling processes.

Performance criteria

3.1 Describe the roles and responsibilities of participants in resolving complaints and disputes in accordance with the applicable legislation, regulations, and rules of relevant industry bodies or participants.

Range participants may include but are not limited to – financial advisers, consumers, employees, internal processes, external dispute resolution schemes, regulators, disciplinary bodies, financial service providers, industry bodies.

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>.

This unit standard is expiring