

Title	Demonstrate and apply knowledge of financial services legislation, good conduct, professionalism, and Six Step Process		
Level	5	Credits	10

Purpose	<p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – demonstrate knowledge of the background to the financial services regulatory environment and its framework; – demonstrate and apply knowledge of legislation and regulations and their impact in a general financial services context; – apply good conduct and the principles of professionalism in a general financial services context; and – demonstrate knowledge of the financial advice Six Step Process.
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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

Code of Banking Practice 2018;
 Code of Professional Conduct for Financial Advice Services;
 Consumer Guarantees Act 1993;
 Fair Trading Act 1986;
 Financial Advisers Act 2008;
 Financial Advisers (Disclosure) Regulations 2010;
 Financial Markets Conduct Act 2013;
 Financial Service Providers (Registration and Dispute Resolution) Act 2008;
 Financial Services Legislation Amendment Act 2019;
 ISO 22222:2005 *Personal Financial Planning – Requirements for personal financial planners*, available from <https://www.iso.org>;
 Privacy Act 1993;
 Trustee Act 1956;
 and all subsequent amendments and replacements.

2 Definition

Six Step Process – the financial services industry standard for the provision of personal financial advice internationally, derived from ISO 22222 *Personal Financial Planning*.

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

Assessments of any aspects of the Six Step Process require that candidates can describe the process at a similar level to the many summarised forms that are published by local and international financial planning industry participants. Candidates are not required to be familiar with the formal terms of ISO 22222.

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 knowledge of the background to the financial services regulatory environment and its framework.

Performance criteria

- 1.1 Describe the background to the existence of the regulatory environment for financial services in New Zealand.
- Range must include the influence of both local and international events and agencies.
- 1.2 Describe the hierarchy of the financial services framework.
- Range may include but is not limited to – legislation, regulations, principles of professionalism, and good conduct.

Outcome 2

Demonstrate and apply knowledge of legislation and regulations and their impact in general financial services context.

Performance criteria

- 2.1 Explain provisions of legislation and regulations that impact the daily operations of financial services providers.
- 2.2 Apply provisions of legislation and regulations that impact the daily operations of financial services providers.
- Range provisions may relate to but are not limited to – fit for purpose requirements, misleading conduct, false and misleading statements, complaints and dispute resolution processes, identification of clients.
- 2.3 Describe compliance requirements of relevant legislation and regulations, and apply the provisions in a general financial services context.

- 2.4 Evaluate legislation and regulations common to financial services in terms of consequences of non-compliance.

Range consequences may be both formal and informal.

Outcome 3

Apply good conduct and the principles of professionalism in a general financial services context.

Performance criteria

- 3.1 Apply good conduct and principles of professionalism when providing services to clients.

Range may include but is not limited to – adopting best practice processes, maintaining confidentiality, meeting duty of care, adopting non-discriminatory practices, making full disclosure of remuneration/fees and other conflicts of interest that may influence any recommendation where required, acting in good faith, remaining within one's field of competence, managing client information to meet appropriate standards.

- 3.2 Present financial advice that is suitable for the client, in a format appropriate for the client and the nature of the information.

Range appropriate formats may include but are not limited to considerations relating to – client's cultural background, client's level of financial understanding, nature and scope of advice to be provided.

Outcome 4

Demonstrate knowledge of the financial advice Six Step Process.

Performance criteria

- 4.1 Describe the activities that take place in each step of the Six Step Process.
- 4.2 Explain the importance and contribution of each step in providing fit-for-purpose client solutions.

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	23 January 2020	31 December 2027
Review	2	29 May 2025	31 December 2027

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