

<b>Title</b>	<b>Demonstrate and apply knowledge of the banking services environment and concepts</b>		
<b>Level</b>	<b>5</b>	<b>Credits</b>	<b>5</b>

<b>Purpose</b>	<p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> <li>– explain and apply knowledge of the regulatory framework when providing banking services;</li> <li>– explain key roles and concepts related to banking organisations;</li> <li>– demonstrate knowledge of the role boundaries that exist in banking organisations to meet risk management and compliance requirements; and</li> <li>– demonstrate knowledge of the diversity of financial institutions operating in the banking sector.</li> </ul>
----------------	--

<b>Classification</b>	Financial Services > Financial Services - Professional Practice
-----------------------	---

<b>Available grade</b>	Achieved
------------------------	----------

---

## Guidance Information

### 1 References

Anti-Money Laundering and Countering Financing of Terrorism Act 2009;  
 Code of Banking Practice 2018;  
 Code of Professional Conduct for Financial Advice Services;  
 Consumer Guarantees Act 1993;  
 Fair Trading Act 1986;  
 Financial Markets Conduct Act 2013;  
 Financial Services Legislation Amendment Act 2019;  
 Financial Service Providers (Registration and Dispute Resolution) Act 2008;  
 Privacy Act 1993;  
 Reserve Bank of New Zealand Act 1989;  
 relevant industry codes of conduct;  
 and all subsequent amendments and replacements.

### 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.

*Regulatory framework* – legislation, regulations, codes of conduct and/or practice as they apply to financial services and the provision of banking services.

- 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.

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 and apply knowledge of the regulatory framework when providing banking services.

#### Performance criteria

- 1.1 Explain key provisions of legislation, regulations, and codes of conduct that impact the daily operations of providers of banking services.
- 1.2 Outline the purpose of the Code of Banking Practice and apply it to a range of client situations.
- 1.3 Apply knowledge of key provisions of legislation, regulations, and codes of conduct when providing banking services.

Range evidence of three examples is required.

### Outcome 2

Explain key roles and concepts related to banking organisations.

Range roles may include but are not limited to – Fund Manager, Risk and Compliance Manager, Credit Manager, Chief Financial Officer, Client Adviser Private Banker

#### Performance criteria

- 2.1 Explain the purpose of key roles in banking organisations.
- 2.2 Explain the responsibilities of key roles in banking organisations.
- 2.3 Explain the core concept of the banking sector role as a facilitator of financial intermediation and liquidity provision.
- 2.4 Explain the concept of the banking sector role as a facilitator of financial transactions between parties.
- 2.5 Explain the role of the Banking Ombudsman.
- 2.6 Explain the role of the Reserve Bank of New Zealand in terms of the regulation of the banking sector.

- 2.7 Explain the role of the Financial Markets Authority in terms of the regulation of the banking sector.

**Outcome 3**

Demonstrate knowledge of the role boundaries that exist in 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 boundaries that exist between operational roles in a banking environment.

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

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

**Outcome 4**

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

**Performance criteria**

- 4.1 Outline the key differences between registered banks and non-bank lenders and deposit takers.

- 4.2 Explain different ownership structures that can exist among banking organisations.

- 4.3 Outline different types of banks in terms of the type of customer they service and the products and services they offer.

- 4.4 Explain types of risks that arise from differences in banks’ structure or business sector.

<b>Replacement information</b>	This unit standard replaced unit standard 28359 and unit standard 28361.
--------------------------------	--

<b>Planned review date</b>	31 December 2024
----------------------------	------------------

**Status information and last date for assessment for superseded versions**

Process	Version	Date	Last Date for Assessment
Registration	1	23 January 2020	N/A

**Consent and Moderation Requirements (CMR) reference**

0003

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

**Comments on this unit standard**

Please contact The Skills Organisation [reviewcomments@skills.org.nz](mailto:reviewcomments@skills.org.nz) if you wish to suggest changes to the content of this unit standard.