

## ACSA Accredited Program Recognition of Prior Learning kit

Financial Education Professionals is the sole provider of the ACSA Accredited Program, comprising two qualifications specifically designed for those working within the custody industry - *Certificate IV in Financial Services (Custody)* and *Diploma of Financial Services (Custody)*.

This kit applies to those who are seeking to apply for Recognition of Prior Learning for prior education, training and/or work experience.

### What is Recognition of Prior Learning?

Recognition of Prior Learning (RPL) is recognition of an individual's skills, knowledge and experience against the body of knowledge and skills contained in the relevant qualifications. An individual is granted recognition for a subject based on their prior knowledge, skills and experience.

Financial Education Professionals allow you to gain recognition for a subject based on the knowledge, skills and experience you have gained from previous training, study or work experience.

### How do I achieve Recognition of Prior Learning?

To gain recognition for a subject you must demonstrate your knowledge and skills directly by successfully completing all assessment tasks for the subject.

No subject notes or learning resources are provided for individual electing to apply via RPL.

### What assessments will I need to take?

We offer the opportunity to undertake RPL in either of the two subjects comprising the *Certificate IV in Financial Services*. The assessment structure for both subjects is shown below:

<i>Subject</i>	<i>Assessments</i>
Introduction to Financial Markets	Examination only
Introduction to Custody	Examination + Portfolio assessment

To undertake RPL for a subject, you will need to successfully complete all the assessment(s) in the relevant subject (see Appendix A for details).

**Examination:** You must achieve 70% and no resits are allowed.

**Portfolio assessment:** You will be required to gather evidence from your workplace and to answer some short questions. Detailed instructions on what is required will be provided with this assessment. No resubmissions are allowed.

Only one attempt per assessment will be allowed. Successful completion of the examination is required prior to commencement of the Portfolio assessment.

## Who is eligible to apply for RPL?

The ACSA Accredited Program is a specialist education program specifically designed for those working in the custody industry. Whilst anyone is eligible to apply for RPL, we highly recommend individuals study the content of the subjects [Appendix A] carefully before choosing to undertake this pathway.

### 1) Introduction to Financial Markets

Only those who have at least three years experience in financial services are likely to have the prerequisite knowledge and skills to successfully meet the RPL requirements for “Introduction to Financial Markets”.

### 2) Introduction to Custody

Only those who have at least three years experience in the custody industry are likely to have the prerequisite knowledge and skills to successfully meet the RPL requirements for “Introduction to Custody”.

When reviewing the subject details [Appendix A] please consider these factors before making the decision to apply for RPL:

- » Are your knowledge and skills relevant to the subject?
- » Are your knowledge and skills current?

Financial services is a dynamic industry where knowledge and skills achieved in the past may no longer be relevant or appropriate.

## Can I achieve partial exemption from a subject?

No, RPL will only be granted for a whole subject, not part of a subject.

## Can I receive a whole qualification by RPL?

No. In view of the specialist nature of the ACSA Accredited Program, Financial Education Professionals allows you to gain recognition by RPL for *one subject only* in the ACSA Accredited Program.

## 2010 Fees and conditions

Cost per application is \$578 (+GST) per person.

The following conditions will apply:

- » Fees are payable on registration for RPL.
- » Fees will not be refunded if your application is unsuccessful.

Where an application for RPL is unsuccessful and the applicant wishes to enrol in that subject, RPL fees will not be deducted from the subject fee.

### **How to apply for RPL**

Complete the RPL Application Form attached to this brochure [see Appendix B] and send it to:

Financial Education Professionals Pty Ltd  
Level 8, 20 Loftus Street  
Sydney NSW 2000

Fax: +61 2 9252 7437

### **Enquiries**

Please contact Joan Street on +61 2 9252 7437  
or by email [jstreet@financialeducation.com.au](mailto:jstreet@financialeducation.com.au)

Financial Education Professionals Pty Ltd was established in 2001.

We focus on:

- » tailored course design and delivery in investment banking, investment management and financial markets
- » training for treasury operations and investment administration roles, and
- » initial training and continuing professional education for wholesale market participants to meet Australian Securities and Investments Commission's (ASIC's) licensing compliance requirements.

Financial Education Professionals is an ASIC Authorised Assessor for the purposes of RG 146 and RG 105 and is a Registered Training Organisation, accredited to offer programs and qualifications throughout Australia.

## APPENDIX A (1): Units of competence

### FNS40107 *Certificate IV in Financial Services*

The *Certificate IV in Financial Services* in the ACSA Accredited Program includes the following competencies from the Financial Services Training Package. The focus of these competencies in the ACSA Accredited Program is within the context of the Australian custody industry. These competencies are assessed via the Examinations and the Portfolio assessment.

<i>Core Units</i>	<i>Unit description</i>
FNSICIND401B	Apply principles of professional practice to work in the financial services industry
FNSICGEN301B	Communicate in the workplace
FNSICGEN302B	Use technology in the workplace
FNSICGEN304B	Apply health and safety practices in the workplace
<i>Elective Units</i>	<i>Unit description</i>
FNSICCUS401B	Deliver a professional service to customers
FNSICORG402B	Work with specialist and outsourced services
FNSICPRO401B	Develop and maintain in-depth knowledge of products and services used by your organisation or sector
FNSICPRO403B	Tailor a product/service to meet customer needs
FNSCOMP401B	Conduct individual work within a compliance framework
FNSRISK501B	Undertake risk identification
FNSFMKT301B	Complete transaction processing
FNSFMKT401B	Reconcile financial transaction
FNSFMKT504B	Complete settlement and confirmation processes

## APPENDIX A (2): Learning Objectives

### Introduction to Financial Markets

Topic	Learning Objectives
Economic Environment	<p>Know:</p> <ul style="list-style-type: none"> <li>» the relationship between supply and demand and how these factors influence the prices of goods and services in the economy</li> <li>» how to define credit creation and inflation</li> <li>» how to define key economic data measures</li> </ul> <p>Understand:</p> <ul style="list-style-type: none"> <li>» the main economic sectors and explain how resources flow through the economy and the role of money in the financial system</li> <li>» the impact of inflation on key financial markets</li> <li>» how government uses monetary policy and fiscal policy to achieve its objectives</li> </ul>
Participants in the financial services industry	<p>Know:</p> <ul style="list-style-type: none"> <li>» the difference between financial intermediation and disintermediation</li> <li>» the advantages and disadvantages of intermediation. Understand the role of intermediaries as “market makers”</li> <li>» the difference between retail and wholesale financial services and typical examples of each type of service</li> <li>» the role of central banks in the financial system</li> <li>» what is meant by a self-regulatory organisation</li> <li>» understand how financial intermediaries facilitate the flow of funds in the economy</li> </ul> <p>Understand:</p> <ul style="list-style-type: none"> <li>» the main objectives of regulation and the supervision of financial services and how they are achieved</li> <li>» the roles of both the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulatory Authority (APRA)</li> <li>» the role of banks, the role of insurance companies and the three main classes of insurance</li> <li>» understand the role of investment managers</li> <li>» understand the role of investment banks</li> <li>» understand the role of the Australian Securities Exchange, stockbrokers and the Sydney Futures Exchange</li> <li>» the role of financial planners, credit ratings agencies, custodians and credit card companies</li> <li>» the role of key support services to the financial services industry</li> <li>» understand the role of key foreign stock exchanges</li> </ul>

Topic	Learning Objectives
Securities	<p>Know:</p> <ul style="list-style-type: none"> <li>» how to define “securities”</li> <li>» the characteristics of ordinary shares and a range of related share concepts</li> <li>» the main risks and benefits of investing in shares</li> <li>» the mechanics of buying and selling shares</li> <li>» how to place an order with a stockbroker</li> <li>» how to pay for and settle on a share purchase or sale transaction</li> <li>» how to define “stock market index”</li> <li>» the objectives of key Australian share market indices</li> <li>» the names of indices for major world stock markets and countries</li> <li>» how to define debt instruments</li> <li>» key debt securities concepts such as interest, term, discount, yield, yield to maturity, term to maturity and duration</li> <li>» the functions of various types of bonds and various money market securities</li> <li>» the risks of investing in debt securities</li> <li>» the functions of various hybrid securities</li> <li>» the difference between spot and forward foreign exchange rates</li> </ul> <p>Understand:</p> <ul style="list-style-type: none"> <li>» the risks to listed companies as a result of issuing shares to the investing public</li> <li>» the function of a yield curve</li> <li>» the structure of the foreign exchange market</li> </ul>
Derivatives	<p>Know:</p> <ul style="list-style-type: none"> <li>» how to define derivatives</li> <li>» the definition and generic features of futures and forwards</li> <li>» the features of options</li> <li>» a range of critical options terms</li> <li>» how to explain the term premium in relation to options</li> </ul> <p>Understand:</p> <ul style="list-style-type: none"> <li>» the relationship between securities and derivatives</li> <li>» how exchange-traded and OTC options work</li> <li>» how to interpret an options profit-expiry diagram</li> </ul>

Introduction to Financial Markets (continued)

Topic	Learning Objectives
Financial Products	<p>Know:</p> <ul style="list-style-type: none"> <li>» the features and characteristics of common transactions and deposit accounts marketed by Authorised Deposit-Taking Institutions</li> <li>» the difference between loans, overdrafts and credit card borrowings</li> <li>» the difference between secured and unsecured borrowing</li> <li>» the difference between quoted interest rate on borrowings and the effective annual interest rate</li> <li>» the definition of a mortgage</li> <li>» the meaning of the following terms: variable rate, fixed rate, capped rate, Average Annual Percentage Rate</li> <li>» the different types of Australian mortgages</li> </ul> <p>Understand:</p> <ul style="list-style-type: none"> <li>» the different types of Australian life insurance</li> <li>» the distinction between the different types of Australian superannuation funds</li> </ul> <p>Be able:</p> <ul style="list-style-type: none"> <li>» to calculate the effective annual rate of interest, given the quoted interest rate and the frequency of payment</li> </ul>
Managed funds in Australia	<p>Know:</p> <ul style="list-style-type: none"> <li>» the benefits of using investment managers and their investment management products</li> <li>» the disadvantages of using investment managers and their investment management products</li> <li>» the different types and options for managed investment products and structures</li> <li>» the function of investor directed portfolio services (IDPS) and wrap accounts</li> <li>» the role of hedge funds and managed discretionary accounts (MDAs)</li> </ul> <p>Understand:</p> <ul style="list-style-type: none"> <li>» the characteristics of investment management</li> <li>» what is an investment management scheme</li> <li>» the regulatory environment for managed investments.</li> </ul>

Introduction to Financial Markets (continued)

Topic	Learning Objectives
Taxation	<p>Know:</p> <ul style="list-style-type: none"> <li>» the general principles of how capital gains tax is calculated on profits from investing in shares</li> <li>» the system for taxing capital gains from investing in shares, which has operated since September 1999</li> <li>» how dividends used to purchase shares in a Dividend Reinvestment Plan are treated for CGT purposes</li> <li>» the general CGT treatment for bonus shares</li> <li>» how the different types of listed investments are treated for tax purposes</li> <li>» the general principles behind the taxation of unit trusts</li> </ul> <p>Understand:</p> <ul style="list-style-type: none"> <li>» the importance of taxation to the earnings from securities and other investments</li> <li>» how the dividend imputation system works in Australia</li> </ul> <p>Calculate:</p> <ul style="list-style-type: none"> <li>» the grossed-up yield of dividends carrying imputation credits</li> </ul>
Regulation in Australia	<p>Know:</p> <ul style="list-style-type: none"> <li>» who must be licensed under the Corporations Act</li> <li>» the broad categories for which ASIC may issue an Australian Financial Services licence</li> <li>» the broad principles of anti money-laundering regulation</li> <li>» who regulates takeovers and mergers</li> <li>» the four types of regulation of the financial system</li> </ul> <p>Understand:</p> <ul style="list-style-type: none"> <li>» the broad structure of financial markets regulation</li> <li>» the broad principles of financial markets regulation</li> <li>» the role of the Australian Securities and Investments Commission (ASIC)</li> <li>» the aims of the Financial Services (FSR) Reform Act and the major reforms introduced under this act</li> <li>» what is insider dealing and how it is regulated</li> <li>» how the Privacy Act affects the financial services industry</li> <li>» how internal and external resolution works</li> </ul>

## Introduction to Custody

<i>Topic</i>	<i>Learning Objectives</i>
Custody in the Financial Services Industry	<ul style="list-style-type: none"> <li>» explain what custody is and the function of a fiduciary</li> <li>» outline why investment organisations use custodians</li> <li>» describe how custody has developed to its current state and the role of the different types of industry participants with which custodians are likely to come into contact as they provide their custodial services to their clients</li> <li>» illustrate the different factors which have driven growth in both Australian and global custody</li> <li>» analyse the composition of the Australian custodial services industry</li> </ul>
Custodians and their clients	<ul style="list-style-type: none"> <li>» describe the roles of the different types of custodians operating in Australia</li> <li>» outline in broad terms the different markets targeted by custodians</li> <li>» discuss the role of the different types of clients for custodial services firms, including asset or investment managers, superannuation or pension funds, foreign investors, life insurance companies and other clients with smaller investment portfolios</li> <li>» illustrate the structure of a typical client organisation</li> </ul>
What custodians do	<ul style="list-style-type: none"> <li>» describe the basic services provided by custodians</li> <li>» outline the primary “core” custodial services and “value-added” services</li> <li>» illustrate the generic flow of investment transactions for a custodian, including the external interactions and internal interactions, to ensure that all elements in the transaction are correct</li> <li>» explain the common generic roles within a custodial services firm</li> <li>» demonstrate how custodians make sales to clients</li> <li>» identify how custodians maintain a high level of service to their clients</li> <li>» examine different ways that custodians may charge clients for their custodial services</li> </ul>
Funds and fund structures	<ul style="list-style-type: none"> <li>» explain why particular funds are structured the way they are</li> <li>» describe the characteristics of managed investment schemes such as unit trusts</li> <li>» identify the different types of superannuation funds used in Australia</li> <li>» discuss a range of additional investment fund structures including common funds, exchange traded funds, managed discretionary accounts, sovereign wealth funds and hedge funds</li> <li>» identify different ways that a custodian can hold client’s assets</li> <li>» examine the function of fund administration in a custodial services firm</li> </ul>

## Introduction to Custody (continued)

<i>Topic</i>	<i>Learning Objectives</i>
<p>Role of custodians in investment transactions</p>	<ul style="list-style-type: none"> <li>» illustrate the various steps in the investment cycle and the role of custodians</li> <li>» outline the detailed process for settling ASX equity trades using CHES</li> <li>» identify how debt and derivative transactions are settled on the ASX</li> <li>» discuss the role of asset identifiers</li> <li>» explain several additional ways of settling trades in foreign markets</li> <li>» describe some of the key foreign ownership limitations which operate in Australia and of which custodians must be aware</li> <li>» outline what good operational practices are critical in delivering high-quality custodial services to clients</li> <li>» explain the role of corporate actions and why custodians must deal with these correctly</li> <li>» outline some of the recent trends in custody and some of the unfolding changes in this industry which affect the role of custodians</li> </ul>
<p>Risk management and regulation</p>	<ul style="list-style-type: none"> <li>» explain the different types of risks to which custodial services firms are exposed</li> <li>» illustrate some of the key strategies with which custodians may manage these risks</li> <li>» discuss the key custody-specific risks to which the clients of custodial services firms are exposed</li> <li>» illustrate some of the key strategies with which clients may manage custody-specific risks</li> <li>» summarise the range of key Australian and international regulations and guidelines with which a custodial services firm may need to comply.</li> </ul>

**APPENDIX B: Application Form** [All information is compulsory]

<b>Last name:</b>	<b>First name:</b>	<b>Title:</b> <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Miss <input type="checkbox"/> Ms	<b>Email:</b>	
<b>Company name:</b>		<b>Business phone No.:</b> (    )	<b>Mobile:</b>	
<b>Title/Position:</b>		<b>Department/Division:</b>		
<b>Address:</b>		<b>City:</b>	<b>State:</b>	<b>Postcode:</b>
<b>Application: Please tick the subject for which you wish to apply for RPL [Note: You can only choose one subject]</b> <input type="checkbox"/> Introduction to Financial Markets <input type="checkbox"/> Introduction to Custody				
<b>Payment</b> <input type="checkbox"/> I attach a cheque made payable to Financial Education Professionals Pty Ltd for \$635.80 (Fee is \$578 + GST) <i>or</i> <input type="checkbox"/> Please invoice my company for \$635.80 (Fee is \$578 + GST). I have obtained approval from my manager (see below).				
<b>Approving Manager</b> First name: ..... Last name: ..... Email: ..... Title/Position: ..... Dept/Division: ..... Approving Manager's Signature: .....				

**Please send completed form to:**

Financial Education Professionals Pty Ltd  
 Level 8, 20 Loftus Street - Sydney NSW 2000  
 Fax: (02) 9252 7437  
**Contact:** Joan Street  
 Tel: (+61) 2 9252 7437  
 Email: jstreet@financialeducation.com.au

Office use only	
Invoice No.:	
Person to whom invoice was sent:	
Date paid:	
Participant No.:	

Financial Education Professionals strongly recommend that you ensure that you meet the knowledge and skills requirements matched to the learning objectives identified in Appendix A. Please note that fees are payable upon application and are non-refundable if unsuccessful and cannot be offset against future fees. If you have any doubts, please consult your manager or contact us prior to lodging your application.