

RG 105 Organisational Competency

The Australian Securities and Investments Commission (ASIC) requires all licensees to maintain the competence to provide the financial services they are authorised to provide under their licence. ASIC's requirements are outlined in Regulatory Guide 105.

ASIC will assess Responsible Managers to ensure that they have the knowledge and skills needed to:

- ✓ manage their business
- ✓ ensure the quality of services provided is adequate
- ✓ ensure that they comply with their licence obligations.

Therefore, Responsible Managers need to demonstrate:

- ✓ the experience and knowledge of the financial services and products for which their organisation will be responsible
- ✓ an understanding of their legal obligations under the Australian Financial Services (AFS) licence.

The overriding factor considered by ASIC is that the Responsible Managers must be competent in their role and must:

- ✓ have the relevant knowledge about the financial services and products for which they will be responsible
- ✓ understand and be able to comply with the licensee's obligations under the AFS license
- ✓ have the relevant experience to perform the role.

Relevant knowledge can be demonstrated in one of 5 ways (see *RG 105.43*).

Option 2: Overview

Experienced Responsible Managers seeking to meet Option 2 can be individually assessed by one of Financial Education Professional's Authorised Assessors as having relevant knowledge equivalent to a diploma.

- ✓ Identifying the experience and expertise your Responsible Managers need to ensure the licensee meets its obligations;
- ✓ Review the Responsible Managers to determine whether they have the experience and expertise required; and
- ✓ In the event of a shortfall, recommend strategies to meet that shortfall.

RG 105 Option 2 Individual Assessment

Financial Education Professionals provides independent validation of compliance with RG 105 Organisational Competencies. This involves the following steps, processes and outcomes.

Step 1: Needs Analysis

Process: Investigate the environment and identify the competencies that the licensed entity should require of its Responsible Managers. This involves desktop research of material provided by the licensee, possibly supplemented with face-to-face discussions.

Outcome: Recommendations on the competencies required.

Step 2: Review of Responsible Managers/Managers

Process: Review of the roles of each of the Responsible Managers, identification and confirmation of suitable competencies, review of existing qualifications, matching to competencies required under your specific licence, identification of any gaps and recommendations to meet gaps. This task involves desktop research and may require short meetings with some individual staff members.

Outcomes:

- ✓ *Report on what competencies have been successfully demonstrated and the competencies that are required to be demonstrated.*
- ✓ *Recommendations on how Responsible Managers can meet any outstanding competency requirements.*

Step 3: Individual Assessment

Process: Where Responsible Managers meet ASIC's experience requirement (5 years relevant experience within the immediate past 8 years), they can be individually assessed by one of our Authorised Assessors as having relevant knowledge equivalent to a diploma. We will provide a briefing on how this is conducted prior to the assessment.

Outcome: Confirming that competency has been demonstrated successfully.

Step 4: Certification

Process: Financial Education Professionals is a Registered Training Organisation and an ASIC Authorised Assessor. We issue a detailed report and Certificates of Attainment confirming demonstration of appropriate competencies to meet compliance with RG 105, under Option 2.

Outcome: Detailed Report and Certification of Compliance.

Fee and how to enrol

As our assessment work is specialised, fees will be determined on an individual corporate basis and it is also affected by the number of individuals requiring assessment. Please contact us directly to discuss your requirements.

Further information

Contact Joan Street on 02 9252 7437 or by email jstreet@financialeducation.com.au