

# Responsible Managers Program

AFMA's Responsible Managers Program is the first qualification of its kind suitable for the responsible managers (RMs) of Australian financial services (AFS) licensees who are:

- » seeking to demonstrate that they have the appropriate knowledge and skills to perform their role
- » seeking product-specific RG 146 compliance, and/or
- » seeking appropriate professional development specific to their role as an RM.

Candidates should note that this qualification is not suitable for individuals who are not currently working in this environment, as the assessments require workplace-based evidence or in-depth knowledge of current work practices.

The Corporations Act requires all AFS licensees to maintain their organisational competence. For ASIC, the key measure of organisational competence is the competence of the licensee's RMs, who collectively are responsible for conducting the licensee's financial services activities. See RG 105 *Licensing: Organisational competence* for more details of this requirement.

If you are an RM, however, you not only need to have the relevant knowledge and skills when you are appointed, you also need to ensure that you maintain and update your knowledge and skills on an ongoing basis. This Program has been designed to meet both of these requirements.

HIGHLY PRACTICAL IN NATURE, THIS PROGRAM WILL:

- » help you to critically assess how your organisation is fulfilling its legal and compliance obligations as an AFS licensee
- » identify areas where your organisation may benefit from doing things differently
- » provide a qualification that helps to demonstrate you have the appropriate knowledge and skills to perform your role
- » provide appropriate professional development specific to your role.

# Responsible Managers Program

## How is it completed?

You have a choice of the following two pathways: the *risk pathway* and the *product specialist pathway*.

### RISK PATHWAY

The *risk pathway* is appropriate if you work in a financial services organisation and require an additional overview and understanding of its risk management structure to support you in managing your responsibilities as an RM.

You'll need to complete:

- » Role and Obligations
- » Risk Management

### PRODUCT SPECIALIST PATHWAY

The *product specialist* pathway is appropriate if you require skills relevant to particular financial products to support you in managing your responsibilities as an RM.

You'll need to complete:

- » Role and Obligations
- » One product specialist module from AFMA's Financial Markets Program: Debt Markets, Energy Financial Markets, Equity Markets or Foreign Exchange Markets.

For further information about the product specialist modules see the Financial Markets Program brochure (available at [www.afma.com.au](http://www.afma.com.au)).

### Program structure

Role and Obligations	Risk Management
Workshop + Self-study + 'In practice' exercises + workplace research assessment	Workshop + Self-study + 'In practice' exercises + workplace research assessment



<b>FNS60715 Advanced Diploma of Financial Licensing Management</b> Evidence of meeting training requirements RG 105 Options 2, 3 or 4
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### Program structure

Role and Obligations	Product specialist module
Workshop + Self-study + 'In practice' exercises + workplace research assessment	Knowledge assignment + skills assessment



<b>FNS60715 Advanced Diploma of Financial Licensing Management</b> Evidence of meeting training requirements RG 105 Options 2, 3 or 4 and/or RG 146 Compliance*
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\* 'advising' pathway only

# Responsible Managers Program

## What will you achieve?

If you successfully complete the Program and related assessment you will:

- » be awarded an FNS60715 *Advanced Diploma of Financial Licensing Management*, a nationally recognised workplace qualification within the Financial Services Training Package (FNS)
- » achieve compliance with the knowledge requirements for RMs under RG 105:
  - Option 4 (if you can demonstrate 3 years relevant experience over the past 5 years)
  - Option 2 (if you can demonstrate 5 years relevant experience over the past 8 years), or
  - Option 3—if you have a university degree in a relevant discipline (e.g. economics, commerce, business, accounting or equivalent) and you can demonstrate 3 years relevant experience over the past 5 years
- » meet the minimum training standards for financial advisers set out in RG 146 (if you complete the product specialist 'advising' pathway)

Successful completion of the Responsible Managers Program (product specialist pathway) provides partial attainment of the requirements for AFMA Accredited Individual Status, if your employer is a member of the Australian Financial Markets Association. See the AFMA website for more information ([www.afma.com.au](http://www.afma.com.au)).

### ROLE AND OBLIGATIONS

If you successfully complete the Role and Obligations module and the associated assessment, you will be awarded a Statement of Attainment for the following units from the Financial Services Training Package:

- |             |   |
|-------------|---|
| » FNSFMK505 | Comply with financial services legislation and industry codes of practice                     |
| » BSBCOM603 | Plan and establish compliance management systems  |
| » BSBMGT605 | Provide leadership across the organisation  |
| » FNSPRM601 | Establish, supervise and monitor practice systems to conform with legislation and regulations |
| » FNSPRM606 | Establish or review human resources, administration and information support                   |
| » FNSORG504 | Monitor and supervise work practices to meet financial services regulatory requirements       |

### RISK MANAGEMENT

If you successfully complete the Risk Management module and the associated assessment, you will be awarded a Statement of Attainment for the following units from the Financial Services Training Package:

- |             |  |
|-------------|--|
| » FNSRSK501 | Undertake risk identification                  |
| » FNSRSK502 | Assess risks                                   |
| » FNSRSK601 | Develop and implement risk mitigation plan     |
| » FNSRSK602 | Determine and manage risk exposure strategies. |

# Responsible Managers Program

## What are the learning objectives?

### ROLE AND OBLIGATIONS

This module explains what RMs need to know about the regulatory environment in which AFS licensees operate, including the obligations of AFS licensees. It explains what RMs need to do for their organisations, what liabilities they may face and practical ways in which they can protect their interests.

Upon completion of the module, you will be able to:

- » describe the roles of an RM
- » explain the knowledge and skill requirements for an RM
- » evaluate and assess whether you are meeting your obligations as an RM
- » explain the legislative and regulatory framework within which an AFS licensee operates
- » identify the regulatory changes affecting an AFS licensee, and develop processes to respond to these
- » evaluate and assess the scope of the AFS licence required by your organisation
- » evaluate and assess the legislative and regulatory compliance needs of an AFS licensee
- » develop processes and systems for meeting the obligations of an AFS licensee
- » lead and motivate your workplace team to ensure compliance with AFS licence obligations.

### RISK MANAGEMENT

This module provides a deeper understanding of the risk management obligation of ASF licensees. It discusses the key areas of risk in financial markets, and guides participants through the seven-step risk management process, based on AS/NZS ISO 31000 'Risk management — Principles and guidelines'.

Upon completion of the module, you will be able to:

- » identify and explain the key risks in financial markets: market, credit, liquidity and operational
- » describe the purpose and effect of relevant standards and principles relating to risk management
- » define the main terminology used in risk management
- » evaluate and assess the risks facing your organisation
- » describe and implement the seven-step risk management process
- » evaluate and assess strategies, processes and systems for managing risk
- » develop and implement strategies, processes and systems for managing risk.

# Responsible Managers Program

## How is it assessed?

If you are undertaking the program to gain an FNS60715 *Advanced Diploma of Financial Licensing Management*, you will be required to successfully complete the following assessment items.

### RISK PATHWAY

There are two types of assessment in both the Role & Obligations module and the Risk Management module.

	Role and Obligations module	Risk Management module
In Practice exercises	✓	✓
Workplace research assessment	✓	✓

To successfully complete either module you will need to complete both types of assessment:

#### In practice exercises

The manuals for each module contain 'In practice' exercises. These are:

- » designed to help you develop your understanding of how your organisation fulfils its legal and compliance obligations as an AFS licensee and what you need to do as its RM
- » directly linked to the learning outcomes for each module.

While most RMs may not directly perform many compliance tasks, you are expected to understand how your organisation meets its compliance obligations. Completing these exercises not only assists you to meet ASIC's knowledge and skills requirements, but enables you to contribute to an improvement in your organisation's compliance culture.

#### Workplace research project

**Role and Obligation module:** You are to plan and implement an amendment to your organisation's compliance management system. It is expected that this project will take eight to twelve weeks to complete. As you work through the project, you will submit your work to your assessor for feedback. This assessment allows you to demonstrate that you have the leadership, consultation and communication skills needed to work effectively as an RM.

**Risk Management module:** You are to identify a risk and to use an appropriate risk management framework to develop and recommend a risk treatment alternative. It is expected that this project will take eight to twelve weeks to complete. As you work through the project, you will submit your work to your assessor for feedback. This assessment allows you to demonstrate that you have the risk management, consultation and communication skills needed to work effectively as an RM.

### PRODUCT SPECIALIST PATHWAY

If you are completing the Responsible Managers Program via the Product Specialist Pathway, you will be required to complete the following assessment items:

Role and Obligations module: Please see information above regarding assessment items for this module.

Elective module: For further information regarding available electives, you should review the module outlines from the Financial Markets Program. Further information is available on the AFMA website.

# Responsible Managers Program

## How is it assessed? cont...

### ARE THERE ANY ALTERNATIVES TO THIS ASSESSMENT?

There are two alternative ways by which you can gain the FNS60715 *Advanced Diploma of Financial Licensing Management*:

- » Course exemption (credit transfer of qualifications issued by AFMA or other registered training organisations)
- » Recognition of prior learning (RPL) (assessment only) for experienced individuals.

For further information see AFMA's Alternative Completion Information Kit available at [www.afma.com.au](http://www.afma.com.au).

### PROGRAM DURATION

AFMA provides a maximum of 24 months to complete the full FNS60715 Advanced Diploma of Financial Licensing Management (from the date of initial registration) or 9 months if you intend on completing one module (from date of initial registration).

It is important to note that AFMA has structured each module so that it should be completed in a time frame of 4-6 months.

## Who are the workshop presenters?

### ROLE AND OBLIGATIONS – Fadi C. Khoury

Fadi is a trusted legal advisor with over 20 years practical industry experience advising on some of Australia's most significant investment management, M&A and capital transactions in the funds and financial services sectors.

Many students have benefited from his practical industry experience gained from roles with AMP Capital, Deutsche Bank and Brookfield. Fadi is also a member of the Australian Financial Markets Association Accreditation Board, which provides accreditation for asset management and financial services executives. Fadi is rated as an Australian Leading Lawyer by Chambers Asia Pacific, Legal 500 and Best Lawyers reviews.

### RISK MANAGEMENT – Susan Campbell

Susan Campbell is a leading risk management expert with substantial experience in senior roles in the finance and corporate sectors. Susan worked for many years with major banks in Melbourne and London as a treasury advisor to Australian and international firms before a subsequent appointment to the role of the Treasurer for Sussan Corporation, a large Australian property and retail group. She has also held a senior lecturer position at RMIT University. For the last 20 years Susan has run a successful consulting business, ARGYLL, specialising in treasury operations, transactional banking, risk management and internal controls. She also presents and writes for various professional bodies in Australia and overseas. Susan is a non-executive director of Heritage Bank and Benetas Aged Care and serves on their risk committees. Her role at Heritage Bank, Australia's largest member-owned bank, gives Susan direct experience and insight into the role of good risk management in financial institutions.