



AFMA

Alternative Completion

INFORMATION KIT

AFMA
Level 25, Angel Place
123 Pitt Street
Sydney NSW 2000



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Approved by: Michael Chadwick

For any queries relating to the *Information Kit* please contact:

Australian Financial Markets Association
Level 25, Angel Place
123 Pitt Street
Sydney NSW 2000
Australia

GPO Box 3655
Sydney NSW 2001

By telephone: (+61 2) 9776 7900
Via the website: www.afma.com.au

Michael Chadwick
Head of Education, Director of Markets
Email: mchadwick@afma.com.au

Jason Sheil
Learning Services Manager
Email: jsheil@afma.com.au

Premi Sivanesan
RTO Education & Accreditation Manager
Email: psivanesan@afma.com.au

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AFMA'S ALTERNATIVE COMPLETION PATHWAYS

What alternatives are available?

As a Registered Training Organisation (RTO), AFMA offers a number of nationally recognised qualifications. If you have evidence of relevant industry experience or previous training, you may be eligible for an Alternative Assessment pathway through the qualification you are enrolled in. This means that you may be exempted from some or all of that qualification's requirements.

Alternative assessment pathways are available for the following AFMA qualifications:

- ➔ the *FNS51015 Diploma of Financial Markets* to meet either RG146: Licensing: Training of financial product advisers requirements or your firm's RG105: Licensing: Organisational Competence requirement
- ➔ the *FNS60715 Advanced Diploma of Financial Licensing Management* to meet your firm's RG 105: Licensing: Organisational Competence requirement
- ➔ the *FNS80115 Graduate Diploma of Anti-Money Laundering and Counter Terrorism Financing*

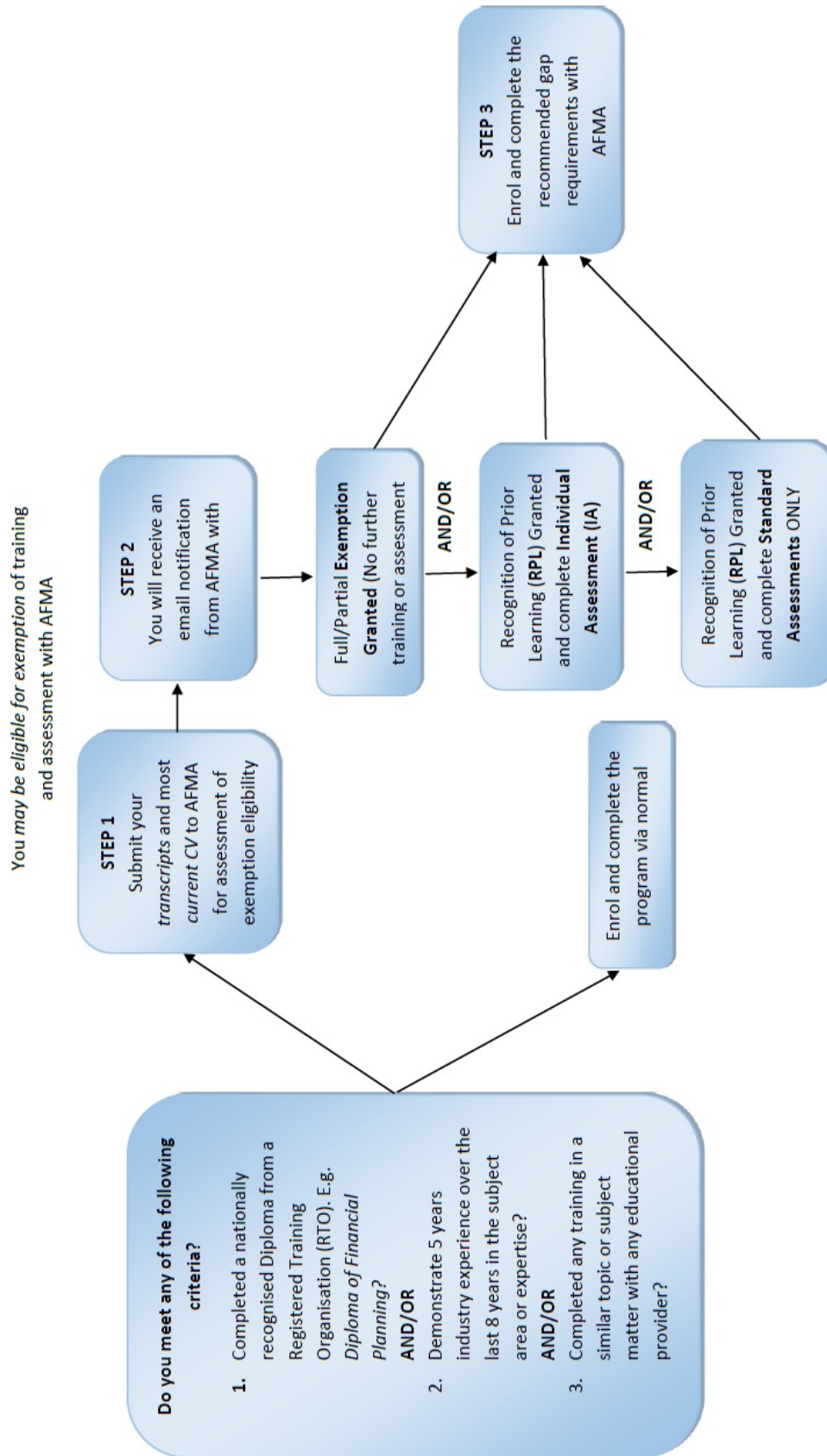
The two assessment alternatives we have available are:

- Course exemption (*Credit Transfer*)
- Recognition of Prior Learning (RPL) (*Individual Assessment or Assessment only*)

Each of these is explained in this document.

A snapshot of the eligibility process is shown on the next page.

Eligibility snapshot:



OPTION 1: COURSE EXEMPTION via Credit Transfer

Because AFMA is a Registered Training Organisation (RTO), we will recognise Australian Qualifications Framework (AQF) qualifications and Statements of Attainment that have been issued by other RTOs. This is a feature of the flexibility offered by the National Training Framework, and is known as 'credit transfer'. Note that credit transfer is a process applied to individual units of competency — not to entire qualifications.

Who can apply?

You are welcome to apply once you have confirmed with your in-house accreditation representative or legal/compliance officer that you meet the eligibility criteria. If you have achieved an equivalent unit of competency from another RTO, you may be eligible for this option.

For example, you may have recently completed a *FNS51815 Diploma of Financial Services (Financial Planning)* at another training provider. Each AQF qualification comprises a set of units of competency. If your qualification contained the same units that we offer as part of our Diploma of Financial Markets, we can mutually recognise those units for partial completion of our qualification.

Remember that the qualification on which the request for credit transfer is based must contain statements of attainment based on competencies from the *current* relevant training package (FNS).

How do you apply?

Before supplying evidence to AFMA to be evaluated you must confirm with your in-house accreditation representation or legal/compliance officer that you are eligible to make such an application with AFMA.

To apply for exemptions based on credit transfer, you need to show an AFMA representative an original or certified (by a Justice of the Peace or Chartered Accountant) copy of the certificate you received that details the qualification (such as an academic transcript, or statements of attainment) together with the course exemption form and supporting documentation such as your resume and/or job description.

If you are completing the Advising stream of the Diploma of Financial Markets, note that you cannot obtain more than 50% of the course through exemption. This is as a result of ASIC's Regulatory Guide 146 requirement (see RG 146.68).

Candidates wishing to apply for **more than 50% course exemption** can instead have their knowledge and skills assessed via **individual assessment**, provided they can demonstrate at least five (5) years relevant experience over the immediate past eight (8) years in the areas in which they advise – again this is an ASIC requirement (see RG 146.75)

OPTION 2: RECOGNITION OF PRIOR LEARNING (RPL)

RPL is the acknowledgment of skills and knowledge obtained through learning achieved outside the Vocational Education and Training sector and includes work and life experience. There are 2 RPL options available depending on your situation:

2.1 Individual Assessment

If you are an experienced Australian Financial Services License (AFSL) representative and/or Responsible Manager who has worked for five years out of the immediate past eight years in a relevant role, ASIC's Regulatory Guides 146 and 105 allow you to undertake an individual assessment (RG 146.75-77) as an alternative to our full public program/s of training and assessment.

Individual assessment is a streamlined process whereby you are given the opportunity to demonstrate to an assessor that you have the equivalent knowledge and skills that would otherwise be developed and assessed in one of our programs. There is no limit to the percentage of a qualification that can be accessed via an individual assessment.

The purpose of the individual assessment is for an assessor to evaluate your current competence as measured against the course curriculum and the units of competency from the qualification.

Note: *This option is only available for both the advising and dealing streams of the following:*

- *The Core and elective modules of FNS51015 Diploma of Financial Markets*
- *The product elective modules of FNS60715 Advanced Diploma of Financial Licensing Management*

Who can apply?

You are welcome to apply once you have confirmed with your in-house accreditation representative or legal/compliance officer that you meet the eligibility criteria. If you have the equivalent skills and knowledge that would otherwise be developed in one of the programs mentioned above, then you may be eligible for this option.

Individual assessment for the purposes of meeting RG 146 is available to experienced advisers. 'Experienced adviser' means someone who has at least five years of relevant industry experience gained over the past eight years in the areas in which they provide advice to clients.

It is also listed as the 'Option 2' in Regulatory Guide 105 (RG 105 Section C) for licensees to ensure their nominated responsible managers have the appropriate knowledge and skill standards to meet their organisational competency requirements.

Note: *if you wish to apply for RG 105 (i.e. be a nominated Responsible Manager for your AFSL) in a **client advisory role**, you must have already been assessed as competent in RG 146, so you will need to undertake an Advising stream individual assessment.*

For this assessment no study materials are provided, as it is assumed that your experience and skills make this superfluous.

How do you apply?

Before supplying evidence to AFMA to be evaluated you must confirm with your in-house accreditation representation or legal/compliance officer that you are eligible to make such an application with AFMA.

You then need to provide evidence of this eligibility to AFMA, and we will evaluate it. This evidence must clearly demonstrate that you have the necessary work-based knowledge and skills as otherwise covered by our programs.

The evidence required includes as a minimum a detailed resume, plus any additional evidence to support your application (such as previous qualifications and certifications, job descriptions, details of professional development, etc.).

You will then be contacted by an AFMA representative to confirm whether your application has been successful.

Once you are assessed as eligible by AFMA, you must then complete the registration form for the relevant program, selecting the option of seeking an individual assessment as an assessment alternative and stipulating in which module(s) you wish to be assessed. An AFMA representative will then contact you to provide you with an evidence kit for the relevant module and confirm payment. The evidence kit details the competencies for which you must provide evidence in order to support your prior experience/competence application. You need to submit this to AFMA as instructed.

Because an application for individual assessment takes into account work experience gained in lieu of formal training, you must provide evidence that demonstrates that you have the necessary competencies. Evidence can include documents such as:

- detailed resume
- job descriptions (current and past)
- third-party reports
- self-evaluation forms
- internal training records
- performance reviews
- professional memberships

The next step is to undertake the individual assessment itself. The assessment process comprises an oral assessment, a self- evaluation process (RPL paperwork and work samples) and third-party reports.

AFMA endeavours to undertake the assessments in a timely manner but you may need to be flexible regarding the assessor's availability. If you are located outside the Sydney CBD, you may be required to complete the assessment over the phone.

Note: If you are attending an individual assessment, ensure that you bring along a financial calculator, and pen and paper for taking notes. Some calculations may be required.

After the interview, you will be advised if you have been assessed as 'Competent' or 'Not Yet Competent'. If you are competent, AFMA will prepare and post to you the paperwork confirming this (i.e. either the qualification or a Statement of Attainment for the competencies achieved in partial completion of a qualification). If you have not yet achieved competence, you may be asked to provide further evidence, re-sit a particular section or have further training recommended before undertaking another assessment.

2.2 Assessment Only

Assessment only means that we will recognise any relevant study undertaken in a similar field or topic in Australian higher educational institutions or overseas.

You will be exempted from undertaking the workshop(s)/training and will progress directly to the standard assessment tasks for the program.

Who can apply?

You are welcome to apply once you have confirmed with your in-house accreditation representative or legal/compliance officer that you meet the eligibility criteria. If you have completed study or training which covers the same topics in our programs, you may be eligible for this option.

For example, if you have recently completed a **Bachelors or Master's degree** at another training provider where you have covered the same topics addressed in any of our programs, you may be eligible for exemption from our training only. You will still be required to complete the standard course assessments for your desired qualification in order to achieve it.

For this assessment, you will be provided with online access to learning materials and relevant assessment tasks.

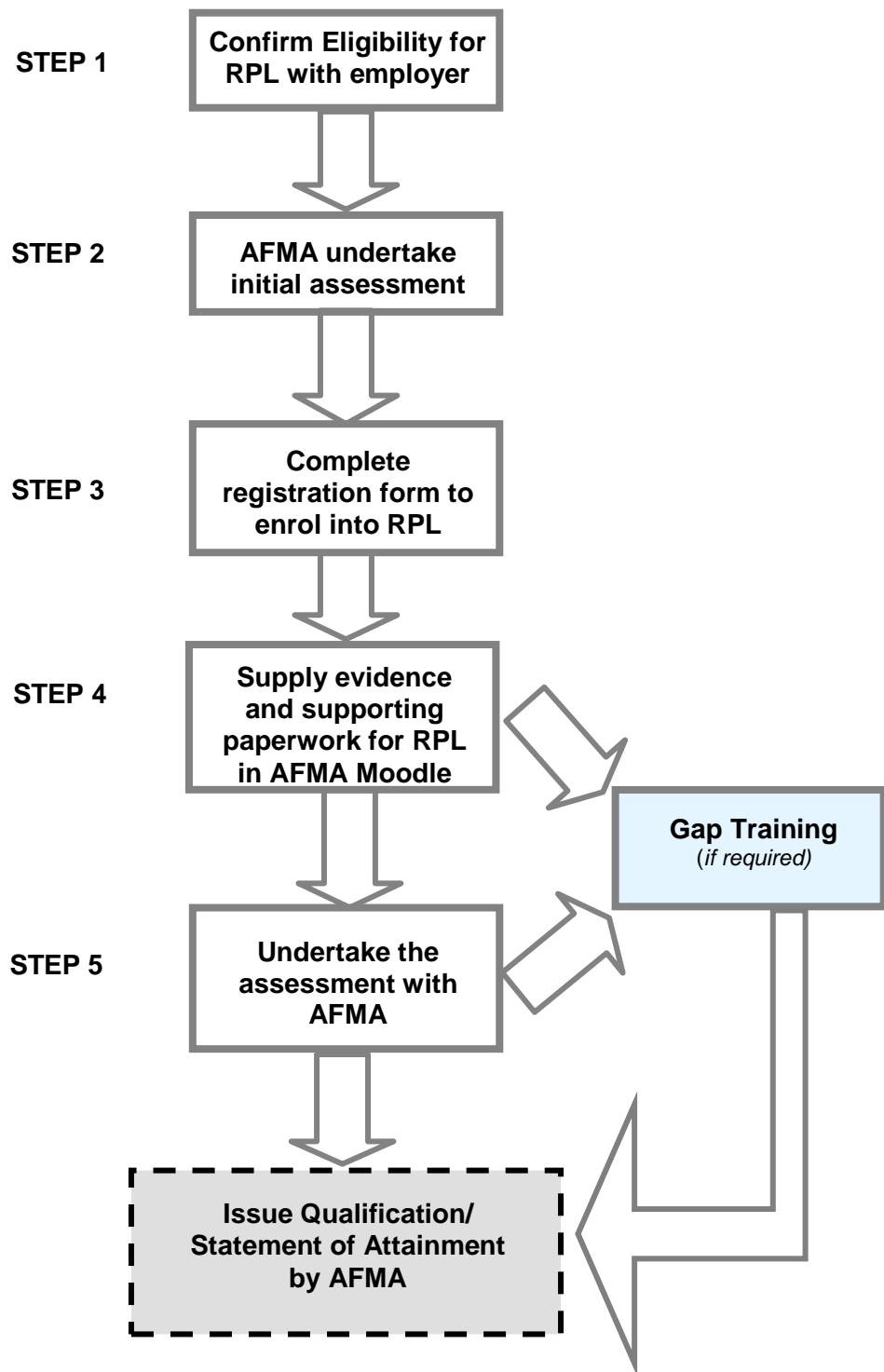
How do you apply?

Before supplying evidence to AFMA to be evaluated you must confirm with your in-house accreditation representation or legal/compliance officer that you are eligible to make such an application with AFMA.

To apply for an RPL based on assessment only option, you must submit a copy of the certificate that fully details the equivalent qualification you have achieved (such as an academic transcript) and a subject outline for each area you are seeking exemption for. This is then given an initial assessment by an authorised AFMA representative, who will confirm your eligibility to undertake the AFMA qualification's assessments.

If the outcome from the initial assessment is successful you will be sent some Paperwork to complete, before you commence your assessments. This varies according to the qualification being completed, and which modules are chosen. Further information on the standard assessments can be found on the AFMA website.

A summary of the RPL process is shown on the next page.



WHAT WILL YOU GAIN?

Depending on the program you are enrolled in, if you successfully complete the requirements of your qualification via individual assessment you can achieve one or more of the following.

Diploma of Financial Markets

- *Diploma of Financial Markets* FNS51015, a nationally recognised workplace qualification in finance.
- Compliance with ASIC Regulatory Guide 146 and/or Regulatory Guide 105.
- candidature for AFMA Accredited Individual Status (available only to employees of AFMA member organisations). Note this is a separate application process you must discuss with an AFMA representative.

Advanced Diploma of Licensing Management:

- an Advanced Diploma of Financial Licensing Management FNS60715, a nationally recognised workplace qualification in finance
- for those who complete a product specialist module (Advising or Dealing Stream) (not Clinic 3), candidature for AFMA Accredited Individual Status (available only to employees of AFMA member organisations) . Note this is a separate application process you must discuss with an AFMA representative.
- Evidence towards compliance with ASIC RG 105 (under Option 2 of RG 105 Section C for individual assessment, or Option 4 for assessment only based on partial completion).
- evidence towards compliance with ASIC RG 146 (only for those who complete a product specialist (Advising Stream))

Graduate Diploma of Applied AML/CTF:

- Graduate Diploma of Applied Anti-Money Laundering and Counter Terrorism Financing FNS80115, a nationally recognised workplace qualification in finance.
- candidature for AFMA Accredited Individual Status (available only to employees of AFMA member organisations). Note this is a separate application process you must discuss with an AFMA representative.

Appendix A summarises ASIC's knowledge and skills requirements for RG 146, which are met by AFMA's Diploma of Financial Markets (advising stream).

Appendix B summarises ASIC's requirements for RG 105, which are met by AFMA's Diploma of Financial Markets and/or Responsible Managers Program.

APPENDIX A – ASIC’S RG 146 KNOWLEDGE AND SKILLS REQUIREMENTS

Knowledge

In light of the wide range of products offered in the financial services industry, ASIC has identified a range of knowledge requirements for advisers on different products.

In accordance with RG 146.49 and RG 146.50, advisers on Tier 1 products should demonstrate an understanding of:

- a) Generic knowledge relevant to the products they advise on and on markets in which they operate. ASIC has developed specific generic knowledge requirements as per below.
- b) Specialist knowledge relevant to the products they advise on and the markets in which they operate. ASIC has developed specialist knowledge requirements relevant to each sector in the financial services industry as per below. Please refer to RG 146.132 below for further information on knowledge requirements.

Generic knowledge

Advisers should have a generic knowledge of the environment in which they operate to understand the context in which the advice is given. Generic knowledge may be covered separately or within specialist knowledge training. Its content will depend on the adviser’s activity and products advised on and may include the following concepts:

The economic environment	<ul style="list-style-type: none">▪ Characteristics and impact of economic and business cycles▪ Interest rates, exchange rates▪ Inflation▪ Government monetary and fiscal policies
Operation of financial markets	<ul style="list-style-type: none">▪ Roles played by intermediaries and issuers▪ Structure and interrelationships within the financial markets▪ Interrelationship between industry sectors
Financial products	<ul style="list-style-type: none">▪ Concept of a financial product – general definition, specific inclusions, exclusions▪ Types of financial investment products▪ Types of financial risk products (e.g. derivatives, risk insurance products)

The generic knowledge components can be met by the successful completion of the Core module from AFMA’s Diploma of Financial Markets program.

Specialist knowledge

An adviser should be able to apply the following specialist knowledge where relevant:

Securities (specialist knowledge)

RG 146.142 An adviser providing advice on securities (including government bonds) should be able to apply the following (where applicable).

Operations of securities markets	<ul style="list-style-type: none"> ▪ Market participants ▪ Roles played by intermediaries
Types of products	<ul style="list-style-type: none"> ▪ Range of securities ▪ Associated risks ▪ Investment options using securities products ▪ Alternative products (e.g. derivatives) (where relevant)
Theories of investment, portfolio management and management of investment and risk	<ul style="list-style-type: none"> ▪ Investment concepts ▪ Investment strategies ▪ Identification of types of risk ▪ Client risk profile
Taxation	<ul style="list-style-type: none"> ▪ Awareness of taxation issues relating to securities
Legal environment – disclosure and compliance	<ul style="list-style-type: none"> ▪ The role of the representative/adviser ▪ Relevant legal principles (e.g. Corporations Act, ASIC Act, Privacy Amendment (Private Sector) Act) ▪ The relationship between ethics and regulatory requirements (e.g. good faith, utmost good faith, full disclosure of remuneration/fees and any other conflicts of interest which may influence the adviser's recommendations) ▪ Relevant industry standards and codes of conduct ▪ Regulators' guidelines including our requirements in this policy ▪ Complaints resolution procedures (external and, if relevant, internal) ▪ Stockbroking competency standards (where relevant) ▪ ASX Operating Rules (where relevant)

These requirements can be met by completing AFMA's Debt Markets or Equities Markets modules.

Derivatives (specialist knowledge)

RG 146.143 An adviser providing advice on derivatives should be able to apply the following knowledge (where applicable).

Operation of derivative markets	<ul style="list-style-type: none"> ▪ Market participants ▪ Roles played by intermediaries ▪ Structure and interrelationships within and between the securities/derivatives sectors
Types of products	<ul style="list-style-type: none"> ▪ Range of securities ▪ Associated risks ▪ Investment options using derivatives product
Theories of investment, portfolio management and management of investment risk	<ul style="list-style-type: none"> ▪ Investment concepts ▪ Investment strategies ▪ Identification of types of risk ▪ Client risk profile
Taxation	<ul style="list-style-type: none"> ▪ Awareness of taxation issues relating to derivatives
Legal environment disclosure and compliance	<ul style="list-style-type: none"> ▪ The role of the representative/adviser ▪ Relevant legal principles (e.g. Corporations Act, ASIC Act, Privacy Amendment (Private Sector) Act) ▪ The relationship between ethics and regulatory requirements (e.g. good faith, utmost good faith, full disclosure of remuneration/fees and any other conflicts of interest which may influence the adviser's recommendations) ▪ Relevant industry standards and codes of conduct ▪ Regulators' guidelines including our requirements in this policy ▪ Complaints resolution procedures (external and, if relevant, internal) ▪ Elements if the Registered Representatives Examination (where relevant) ▪ SFE or ASX Operating Rules (where relevant)

These requirements can be met by completing AFMA's Debt Markets, Equities Markets, Foreign Exchange Markets, or Energy Markets modules.

Foreign Exchange (specialist knowledge)

RG 146.149 An adviser providing advice on Foreign Exchange products should be able to apply the following knowledge (where applicable).

Operation of derivative markets	<ul style="list-style-type: none"> ▪ Market participants ▪ Roles played by intermediaries
Types of products	<ul style="list-style-type: none"> ▪ Range of foreign exchange products ▪ Associated risks ▪ Alternative products (e.g. derivatives) (where relevant)
Theories of investment, portfolio management and management of investment risk	<ul style="list-style-type: none"> ▪ Identification of types of risk ▪ Client risk profile
Taxation	<ul style="list-style-type: none"> ▪ Awareness of taxation issues relating to foreign exchange products
Legal environment disclosure and compliance	<ul style="list-style-type: none"> ▪ The role of the representative/adviser ▪ Relevant legal principles (e.g. Corporations Act, ASIC Act, Privacy Amendment (Private Sector) Act) ▪ The relationship between ethics and regulatory requirements (e.g. good faith, utmost good faith, full disclosure of remuneration/ fees and any other conflicts of interest which may influence the adviser's recommendations) ▪ Relevant industry standards and code of conduct ▪ Regulators' guidelines including our requirements in this policy ▪ Complaints resolution procedures (external and, if relevant, internal)

These requirements can be met by completing AFMA's Foreign Exchange Markets module.

Skills

RG 146 Appendix B Advisers providing personal financial advice to retail clients should be able to apply appropriate skills in relation to their activities and products and markets in which they operate. These skills will vary according to the activities undertaken and, as defined by ASIC, include the following requirements:

<p>Establish relationship with client</p>	<p>This may include:</p> <ul style="list-style-type: none"> ▪ Explaining the adviser's role ▪ Establishing knowledge level of client ▪ Explaining the services offered ▪ Identifying the licensee responsible for the representative's conduct ▪ Explaining fee and charging methodology ▪ Explaining the procedures for complaints handling
<p>Identify client objectives, needs, and financial situation</p>	<p>This may include collection of the following types of information from the client:</p> <ul style="list-style-type: none"> ▪ Relevant personal, financial and business details ▪ Client objectives and goals ▪ Risk profile of the client ▪ Cash flows (required and projected) ▪ Relevant taxation obligations
<p>Analyse client objectives, needs, financial situation and risk profile</p>	<p>This may include:</p> <ul style="list-style-type: none"> ▪ Analysing all relevant information ▪ Assessing if specialist advice is required ▪ Assessing the client's risk profile
<p>Develop appropriate strategies and solutions</p>	<p>This may include:</p> <ul style="list-style-type: none"> ▪ Identifying and assessing available options via above analysis ▪ Conducting relevant research/analysis/modelling ▪ Drafting plan/policy/transaction for presentation to client ▪ Ability to underwrite and accept the transfer of risk
<p>Present appropriate strategies and solutions to clients</p>	<p>This may include:</p> <ul style="list-style-type: none"> ▪ Explaining in plain language the proposed transaction/s ▪ Explaining the nature of the underlying financial products ▪ Explaining the possible risks ▪ Providing written supporting documentation

Negotiate financial plan/policy/ transaction with the client	<p>This may include:</p> <ul style="list-style-type: none"> ▪ Discussing any concerns/issues of the client regarding the proposed plan/policy/transaction ▪ Confirming with the client the preferred plan/policy/transaction
Co-ordinate implementation of agreed plan/policy/ transaction	<p>This may include:</p> <ul style="list-style-type: none"> ▪ Gaining agreement regarding the proposed plan/policy/transaction ▪ Explaining associated fee and cost structures ▪ Explaining time frame for execution
Complete and maintain necessary documentation	<p>This may include:</p> <ul style="list-style-type: none"> ▪ Signing a formal agreement ▪ Exchanging a signed agreement
Provide ongoing services (optional at discretion of client)	<p>This may include:</p> <ul style="list-style-type: none"> ▪ Explaining ongoing fees and costs for ongoing and specifically defined services ▪ Providing ongoing service to client as required and agreed ▪ Providing clients with reports regarding performance of the plan/policy/transaction ▪ Conducting a review of the plan/policy/transaction with the client if parameters change

All skills competencies can be completed via the completion of the Core module and selected specialist module(s) and assessment from AFMA's Diploma for Financial Markets (Advising pathway).

APPENDIX B – ASIC’S RG 105 ORGANISATIONAL COMPETENCE REQUIREMENTS

Further options for Responsible Managers

If you are or plan to be acting in a capacity as a Responsible Manager, then AFMA has a Responsible Managers Program. Successful completion of the program will result in candidates being awarded an Advanced Diploma of Financial Licensing Management FNS60715.

In accordance with ASIC’s Regulatory Guide 105, there are a number of ways that Responsible Managers can meet their organisational competency obligations. ASIC has set out in summary form in RG 105 Section C ways in which these obligations can be demonstrated.

AFMA’s assessment options comply with the ‘Option 2’ described in ASIC’s Regulatory Guide 105 Section C as:

- Option 2 – Be individually assessed by an authorised assessor as having relevant knowledge equivalent to a diploma
And
The equivalent of at least 5 years relevant experience over the immediate past 8 years in a role that enables the person to understand the responsibilities and requirements of the current role.

AFMA’s assessment options also comply with the ‘Option 4’ described in ASIC’s Regulatory Guide 105 Section C as:

- ‘Option 4 – Hold a relevant industry or product specific qualification equivalent to a diploma or higher
And
The equivalent of at least 3 years relevant experience over the immediate past 5 years in a role that enables the person to understand the responsibilities and requirements of the current role.’

AFMA suggests that Responsible Managers wishing to meet the RG 105 compliance standard should consider completing an individual assessment for RG 146 and also the Responsible Managers Program (Advanced Diploma) for RG 105 (provided your legal or compliance officer has confirmed your eligibility).

Responsible Managers who are not providing financial product advice to retail clients can consider completing an individual assessment for either the Dealing stream of a specialist module from AFMA’s Diploma of Financial Markets program and the Responsible Managers Program Roles and Obligations module.