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| **2** | **Analyse client information to establish investment needs and apply process for investment recommendations** |

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| **Kaupae |** Level | 5 |
| **Whiwhinga |** Credit | 10 |
| **Whāinga |** Purpose | The purpose of this skill standard is for people who want to work as a financial adviser in the provision of investment services.  This skill standard will provide learners with the knowledge and skills to establish investment needs and apply process to implement and monitor investment recommendations.  This skill standard has been developed primarily for the assessment within programmes leading to the New Zealand Certificate in Financial Services (Level 5) with strand in Investment. |

**Hua o te ako me Paearu aromatawai |** Learning outcomes and assessment criteria

| **Hua o te ako |** Learning outcomes | **Paearu aromatawai |** Assessment criteria |
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| 1. Develop an understanding of client’s situation of investment needs. | 1. Consult and guide the client through the process of collecting information of the client. |
| 1. Collect information to identify client’s attitude to and capacity for managing investment risk. |
| c. Collect information to identify client’s goals and objectives that could impact on investment needs. |
| d. Collect information about client’s circumstances that could impact on investment needs. |
| e. Determine client investment needs based on collected information on client attitude and capacity for managing risk, goals and objectives, and financial situation. |

| 1. Analyse client information to determine potential impacts on client investment needs. | a. Identify and analyse impacts of potential events for the client and their investment needs. |
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| b. Collect and analyse data that considers changes to the client’s circumstances and investment needs. |
| c. Analyse client’s information to determine need for consultation for further assistance with other specialists. |
| 1. Apply process to implement and monitor recommendations with client. | a. Present solutions to client. |
| b. Implement investment recommendations. |
| 1. Monitor and review client situation to ensure suitability of advice. |
| 1. Record client information, interactions, analysis, and recommendations. |

**Pārongo aromatawai me te taumata paearu |** Assessment information and grade criteria

*Assessment specifications:*

Assessment should use real or realistic documentation where appropriate. Simulated examples are permitted.

Learners are not expected to use tools and systems that are only available if they are available to a licenced financial advice provider or having a licence to use.

Any use of digital advice tools or artificial intelligence will need to be used in accordance with relevant organisational and industry codes of conduct and practice.

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.

*Client* also includes potential clients. *Clients* may include Trust, business, individual, family.

*Client* is intentionally broad to capture all types and include, individuals, partnerships, businesses, families, companies, trusts, charities, organisations, body corporates, and associations as current examples.

Evidence of three client examples with a range of needs and complexities is required.

***Ngā momo whiwhinga |*** *Grades available*

Achieved

**Ihirangi waitohu |** Indicative content

Collecting information on client attitude to and capacity for managing risk

* risk profile, risk capacity, risk tolerance
* tools for collecting and assessing risk profile
* responsible use of technology.

Investment goals and objectives

* motivations ie: build capital growth, generate an income
* retirement
* succession planning
* specific goals
* life events.

Client circumstances

* income
* age
* dependents
* expenses/cash flow
* family
* relationship status
* financial situation
* legal structure
* assets
* tax position.

Investment needs

* client goals
* products and actions would meet client needs
* features and benefits of different solutions
* risks and limitations of investments or services
* services ie: managed funds, direct equities, direct bonds, crypto currencies
* circumstances of the client.

Events

* Economic – official cash rate, rate of inflation, changes to financial market
* Political- regulatory, legislative, political changes and events
* Environmental – natural disasters
* Social – investor perceptions/trends.

Potential impacts of events on client financial situation

* asset value fluctuations
* earning capacity/income changes
* net worth changes.

Information that considers changes

* loss and gain for client
* marital or relationship status changes
* changes to dependents.

Implement investment recommendations

* negotiating any variations required for implementation
* arranging client acceptance and sign off.

Monitor and review investment recommendations

* establishing terms for review
* timetable for review
* responsibilities of the parties
* assessing progress towards goals
* determining any changes needed.

**Rauemi |** Resources

* Anti-Money Laundering and Counter Financing of Terrorism Act 2009
* [Code of Professional Conduct for Financial Advice Services](https://financialadvicecode.govt.nz/wp-content/uploads/2021/03/codeofprofessionalconduct-march2021.pdf)
* Consumer Guarantees Act 1993
* Customer vulnerability and expectations for providers - [CustomerVulnerability-ourexpectationsforproviders.pdf (fma.govt.nz)](https://www.fma.govt.nz/assets/Reports/CustomerVulnerability-ourexpectationsforproviders.pdf)
* Fair Trading Act 1986
* [Financial Markets Authority - Developing cyber resilience for financial advice providers (July 2024)](https://www.fma.govt.nz/assets/Information-sheets/Developing-cyber-resilience-for-financial-advice-providers.pdf)
* Financial Markets Authority- [Understanding Artificial Intelligence in Financial Services (July 2024)](https://www.fma.govt.nz/assets/Research/Understanding-Artificial-Intelligence-in-Financial-Services.pdf) by Mikayla Pakinga-Lawson, Amie White, Stuart Johnson
* Financial Markets Conduct Act 2013
* Financial Services Legislation Amendment Act 2019
* Income Tax Act 2007
* ISO 22222 Personal Financial Planning - Requirements for personal financial planners, available from <https://www.iso.org>
* KiwiSaver Act 2006
* Privacy Act 2020
* Relevant industry codes of conduct
* Trusts Act 2019;

and their subsequent amendments or replacements.

**Pārongo Whakaū Kounga |** Quality assurance information

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| **Ngā rōpū whakatau-paerewa |** Standard Setting Body | Ringa Hora Services Workforce Development Council |
| **Whakaritenga Rārangi Paetae Aromatawai |** DASS classification | Service Sector> Financial Services> Professional Practice |
| **Ko te tohutoro ki ngā Whakaritenga i te Whakamanatanga me te Whakaōritenga |** CMR | 0003 |

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| **Hātepe |** Process | **Putanga |** Version | **Rā whakaputa |** ReviewDate | **Rā whakamutunga mō te aromatawai |** Last date for assessment |
| **Rēhitatanga |** Registration | 1 | 2029 | [dd mm yyyy] |
| **Kōrero whakakapinga |** Replacement information | This skill standard replaced unit standard 31861. | | |
| **Rā arotake |** Planned review date | 2030 | | |

Please contact Ringa Hora Services Workforce Development Council at [qualifications@ringahora.nz](mailto:qualifications@ringahora.nz) to suggest changes to the content of this skill standard.