Tier 1 Foreign Exchange
Subject outline

Subject overview
This subject introduces students to the concepts of foreign exchange as they apply to retail clients. Students will learn how to analyse and evaluate foreign exchange markets, and will gain an understanding of managing risk and tax requirements when dealing with retail client portfolios. Spot transactions, debt securities, forward markets and currency options will also be covered.

Students can elect to complete either a general advice or personal advice study option for this course.

Upon successful completion of the general advice option, students will meet the education requirements of ASIC Regulatory Guide 146 (RG146) for providing general advice in foreign exchange to retail clients.

Upon successful completion of the personal advice option, students will meet the education requirements of ASIC Regulatory Guide 146 (RG146) for providing personal advice in foreign exchange to retail clients.

General advice or personal advice
To provide general or personal advice in a Tier 1 knowledge area, students must have completed the subject Generic Knowledge.

To achieve competency to provide general advice, the following components must be completed:
- Generic Knowledge exam
- Foreign Exchange exam.

To achieve competency to provide personal advice, the following components must be completed:
- Generic Knowledge exam
- Foreign Exchange exam
- Foreign Exchange skills assignment.

Students who require a Statement of Attainment listing the relevant ASIC unit of competency must successfully complete all three components of the personal advice option above.

Note: If a student completes the requirements to provide general advice, but would like to provide personal advice, they must complete the skills assignment.

The Generic Knowledge component only needs to be completed once.
Learning outcomes

On successful completion of Tier 1 Foreign Exchange general advice option, students should be able to:
• Outline the characteristics of foreign exchange markets and their associated risks
• Analyse the exchange rate, the mechanics of an FX quotation and spot transactions
• Apply the concept of forward transaction and how to calculate forward exchange rates
• Explain how option buyers can obtain insurance against adverse movements in exchange rates, and retain the benefit if favourable rate changes occur
• Demonstrate technical compliance with RG 146 in foreign exchange
• Provide general retail financial advice in foreign exchange and meet all compliance obligations for the provision of that advice.

On successful completion of Tier 1 Foreign Exchange personal advice option, students should be able to:
• Outline the characteristics of foreign exchange markets and their associated risks
• Analyse the exchange rate, the mechanics of an FX quotation and spot transactions
• Apply the concept of forward transaction and how to calculate forward exchange rates
• Explain how option buyers can obtain insurance against adverse movements in exchange rates, and retain the benefit if favourable rate changes occur
• Demonstrate technical and skills compliance with RG 146 in foreign exchange
• Provide personal retail financial advice in foreign exchange and meet all compliance obligations for the provision of that advice.

Topics

Topic 1: Foreign Exchange Markets
Topic 2: Spot Transactions
Topic 3: Foreign Exchange Forward Markets
Topic 4: Currency Options
Topic 5: Foreign Exchange Risk Management and Tax
Units of competency

Units of competency are only awarded to students who complete the personal advice option of this subject.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Code</th>
<th>Title</th>
<th>Topic</th>
<th>Type of Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 Foreign Exchange – Personal Advice</td>
<td>FNSASIC503</td>
<td>Provide advice in foreign exchange</td>
<td>Topic 1–5</td>
<td>Exam and Assignment</td>
</tr>
<tr>
<td></td>
<td>FNSINC501</td>
<td>Conduct product research to support recommendations</td>
<td>Topic 1–5</td>
<td>Exam and Assignment</td>
</tr>
<tr>
<td></td>
<td>FNSIAD501</td>
<td>Provide appropriate services, advice and products to clients</td>
<td>Topic 1–5</td>
<td>Exam and Assignment</td>
</tr>
<tr>
<td></td>
<td>FNSCUS505</td>
<td>Determine client requirements and expectations</td>
<td>Topic 1–5</td>
<td>Exam and Assignment</td>
</tr>
<tr>
<td></td>
<td>FNSCUS506</td>
<td>Record and implement client instructions</td>
<td>Topic 1–5</td>
<td>Exam and Assignment</td>
</tr>
</tbody>
</table>

The above 5 units of competency are awarded for the successful completion of Tier 1 Foreign Exchange — Personal Advice.

**Note:** The assessment is listed by unit of competency, above. The assessments within the subject are combined covering multiple units of competency. Refer to ‘Assessment tasks’ for further information.

Subject entry requirements

The prerequisite for this subject is Tier 1 Generic Knowledge.

Subject duration

Students have a total of 12 weeks to complete the learning and assessment requirements for the Tier 1 Foreign Exchange, from their initial enrolment date.

The subject has hardcopy notes/ s and is delivered online.

An additional four weeks (4) per subject is available if required to resubmit an assignment or resit an exam.

Delivery mode

This subject is delivered online.

Kaplan’s online learning portal, KapLearn, enables the provision of innovative, interactive learning resources and support. KapLearn can be accessed anywhere, at any time, using a computer or mobile device that has internet access. Students are also provided with hard copy subject notes for their reference. KapLearn is the access point for subject notes, supplementary learning material, practice activities and assessments. KapLearn is also the access point for ongoing support. The ‘Ask your tutor’ forum provides continuous technical support from subject matter experts.
Assessment tasks

The assessment tasks for this subject are listed below. Units of competency are co-assessed by topic within subjects, as follows. The units of competency are co-assessed, as listed earlier in ‘Units of competency’.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Topic</th>
<th>Assessment</th>
<th>Assessment Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 Foreign Exchange — General Advice</td>
<td>Topic 1–5</td>
<td>1 Exam</td>
<td>Supervised, open book multiple choice examination.</td>
</tr>
<tr>
<td>Tier 1 Foreign Exchange — Personal Advice</td>
<td>Topic 1–5</td>
<td>1 Exam</td>
<td>Supervised, open book multiple choice examination.</td>
</tr>
<tr>
<td></td>
<td>Topic 1–5</td>
<td>1 Assignment</td>
<td>The preparation of a compliant Statement of Advice for a given client</td>
</tr>
</tbody>
</table>

Students may attempt the exam and/or submit their assignment at any time if they believe they are adequately prepared. Students will receive personal reminder emails as they approach their assessment deadlines.

Students who complete the personal advice of the subject will receive a statement of attainment.

Exemptions

Students may be able to obtain an exemption for a Kaplan award subject based on their previous study and/or work experience. To do this, they must submit evidence that demonstrates they have already met the requirements of the subject through these other means.

Evidence can take many forms, such as information about approved study, information about work experience, certificates, transcripts or other credentials.

Kaplan’s exemption policy and the request pro forma are available at: <www.kaplanprofessional.edu.au>.

Fees

An updated schedule of fees is available at the Kaplan Professional website: <www.kaplanprofessional.edu.au>.

Student policies

Students who enrol in a Kaplan subject are bound by our published policies, including the policy that sets out our rules for assessment. Students can review these policies before they enrol by going to the Kaplan website: <www.kaplanprofessional.edu.au>. The policies also assist students when their study program does not go as planned and they need extra support.