



Subject Outline

FIN102 Regulation Ethics and Risk Management

Section 1 — General information

1.1 Administrative details

Duration	Credit points	Level
One study period (12 weeks)	6	AQF8

1.2 Core or elective subject

This is an elective subject for the Graduate Certificate in Applied Finance, Graduate Diploma of Applied Finance Master of Applied Finance, Graduate Certificate in Financial Services Graduate Diploma in Financial Services, and Master of Financial Services.

1.3 Delivery mode

This subject is delivered online.

1.4 Assumed knowledge

Not applicable.

1.5 Course transition subject equivalence

Students may not be required to complete this subject if they have transitioned from a SIA/Finsia/Kaplan course and have completed the following subjects:

- FIN112 *Law, Regulation and Ethics*
- C3 *Securities Industry Law and Ethics*.

1.6 Work integrated learning

There are no placements, internships or work experience requirements associated with undertaking this subject.

1.7 Other resource requirements

Students do not require access to specialist facilities and/or equipment to undertake this subject.

Section 2 — Academic details

2.1 Subject overview

This subject focuses on the basis of law and regulatory structure for financial services in Australia, and the role of ethics and ethical guidelines in business decisions and conduct, of which an understanding is fundamental to any role in the finance sector. The subject includes an exploration of the Australian legal system and regulatory frameworks, as they apply to banking, wealth management, and capital markets. Ethics and its application to decision-making is discussed, with a focus on a practical approach to the common ethical dilemmas that may be encountered in the financial services sector. Foundational knowledge on risk management is also covered, which provides a basis for later subjects in this area.

2.2 Subject learning outcomes

On successful completion of this subject, students should be able to:

1. Analyse ethical dilemmas in the financial services industry and apply ethical values, principles and guidelines to business decisions and conduct.
2. Examine the powers, functions and operations of the relevant financial markets and regulatory bodies.
3. Analyse obligations and liabilities in the financial services industry in relation to common law, legislation and financial market rules.
4. Apply various common law rules, legislation and financial market rules to a given scenario.
5. Explain the concept of risk and the role of Basel II/III in risk management.

2.3 Topic learning outcomes

Topic 1: Australian legal system

On successful completion of this topic, students should be able to:

- describe the principal sources of law in Australia
- examine aspects of contract law as it applies to financial services
- explain the principal elements of real property law
- apply the legal processes to a financial situation
- explain the importance of compliance in financial services.

Topic 2: Ethics

On successful completion of this topic, students should be able to:

- discuss the meaning of ethics
- explain the role of ethics in specific areas of the financial services industry
- analyse the kind of ethical dilemmas which can arise in business
- apply ethical guidelines in making business decisions and in business conduct.

Topic 3: Overview of financial services law

On successful completion of this topic, students should be able to:

- analyse the regulatory structure for financial services in Australia
- describe the role, obligations and rights of the main participants in the financial services system
- explain the purposes of the financial services law and the main laws regulating the Australian financial services system
- outline the background to the Corporations Act and its civil and criminal penalty regime
- describe the main features of overseas financial systems relevant to Australia.

Topic 4: Regulatory framework I

On successful completion of this topic, students should be able to:

- examine the main functions and powers of each of Australia's main regulators
- explain how ASX monitors market participants and listed entities
- explain the self-regulation by industry bodies
- describe the main regulators in other countries that are relevant to Australia
- explain the roles of the principal international financial regulatory bodies
- explain the role of the Basel framework in Australia.

Topic 5: Regulatory framework II

On successful completion of this topic, students should be able to:

- summarise the background to, and purpose of, the Australian financial services licence system
- identify who must hold an Australian financial services licence and exemptions
- explain key financial concepts which apply in holding an AFSL and the role of representatives.
- explain how to apply for a licence and the reasons why it may be cancelled or suspended
- explain in detail a licensee's 'general obligations' under ss 912A and 912B of the Corporations Act
- explain the significance of a 'retail client'
- analyse the other obligations of a licensee under the Corporations Act.

Topic 6: Disclosure

On successful completion of this topic, students should be able to:

- describe the separate disclosure regimes for securities and other financial products
- assess the situations where disclosure documents are required and identify the relevant documents
- describe what must be included in different product disclosure documents
- apply disclosure documentation rules and 'continuous disclosure' rules to given situations.

Topic 7: Illegal and prohibited conduct

On successful completion of this topic, students should be able to:

- summarise the prohibition against misleading or deceptive conduct and compensation available where there is a breach
- summarise common law remedies for misrepresentation, negligence and deceit
- describe the prohibition against unconscionable conduct, and provide examples of such conduct
- summarise the main forms of prohibited market manipulation
- describe the ASX Market Rules governing market manipulation
- explain the main elements of the prohibition against insider trading and the available defenses
- describe the restrictions on short selling
- apply legislation to various scenarios.

Topic 8: Introduction to financial risk management

On successful completion of this topic, students should be able to:

- explain risk and exposure in the context of financial markets
- explain market, credit, operational, legal, regulatory and reputation risk
- demonstrate how the key risks apply to finance sector enterprises
- discuss various factors, both locally and globally, that impact on the various types of financial risk
- recognise the regulatory environment for the various market participants.

2.4 Assessment schedule

Assessment	Description	Week	Topics	Weighting	Subject learning outcomes assessed
Quiz	Online Quiz - Multiple choice questions	4	1–2	20%	LO1 and LO4
Assignment 1	Case study/scenario-based short- and long-answer questions	7	3–5	40%	LO2–LO5
Assignment 2	Case study/scenario-based questions short-answer questions	12	6–8	40%	LO3–LO5

Please refer to our website <www.kaplanprofessional.edu.au> to review student policies relating to your assessment, including the *Kaplan Assessment Policy* and *Academic Integrity and Conduct Policy*.

2.5 Prescribed text

There is no prescribed text for this subject. Students are provided with key readings and access to Kaplan's online databases. Students are encouraged to research and read widely on the topic.

2.6 Study plan

Week(s)	Topic name	Study load in hours
1	Topic 1: Australian legal system	10
2	Topic 2: Ethics	10
3	Topic 3: Overview of financial services law	15
4	Topic 4: Regulatory framework I Quiz (Weighting 20%)	15
5	Topic 5: Regulatory framework II	10
6–7	Assignment 1 (Weighting 40%)	15
8	Topic 6: Disclosure	10
9	Topic 7: Illegal and prohibited conduct	10
10	Topic 8: Introduction to financial risk management	10
11–12	Assignment 2 (Weighting 40%)	15
Total minimum study load		120 hours

Additional study hours (if required), dependent on knowledge and personal commitments	60 hours
Total study load, including additional study hours	180 hours