



Foreign Exchange Specialist

Course outline

Course overview

This course 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. Refer to the topics and sub-topic within this course outline.

Learning outcomes

On successful completion of Foreign Exchange Specialist, 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 favorable rate changes occur.
- Demonstrate the technical skills related to Foreign Exchange within the financial planning industry.
- Explain the obligations relevant to the provision of retail financial advice in foreign exchange.

Units of competency

No units of competency are awarded for this course.

Course entry requirements

There are no entry requirements for this course. However, it is recommended that students have generic knowledge in financial planning and have a broad understanding of financial planning fundamentals.

You should confirm your eligibility with your employer or licensee to provide margin lending advice to retail clients.

Course duration

Students have a total of:

- Twelve (12) weeks to complete the learning and assessment requirements for the Foreign Exchange Specialist course from their initial activation date.
- An additional four (4) weeks resubmission – If a student reaches the end of their initial enrolment period and has been deemed not yet demonstrated in the exam, then an additional 4 weeks will be granted, provided the individual attempted all assessment tasks during the initial enrolment period. There is no fee for this extension.

Therefore, if a student completes the learning and assessment, and the resubmission time is granted, the duration will be 16 weeks.

Topics

Topic 1: Foreign exchange markets

1. The foreign exchange market
2. Why participants use the market
3. Participants in the foreign exchange market
4. Range of products available in the foreign exchange market
5. Typical clients and their objectives
6. Establishing a product risk profile for clients
7. Economic factors influencing exchange rates
8. Market factors influencing exchange rates

Topic 2: Spot transactions

1. Quoting exchange rates
2. How FX markets operate — key concepts
3. Market conventions
4. Value dates — physical exchange of currency
5. Currency conversions

Topic 3: Foreign exchange forward markets

1. Forward transactions
2. Forward prices
3. Forward dates
4. Forward exchange contracts
5. Calculating forward cross rates

Topic 4: Currency options

1. Currency options — terminology and key concepts
2. Option pricing
3. Options strategies
4. Effective dealing rates — hedging perspective
5. Selling options

Topic 5: Foreign exchange risk management and tax

1. Risk management
2. Background to the taxation of foreign exchange transactions
3. Key rules for the taxation of foreign exchange transactions
4. Gains and losses
5. The legislation
6. Other rules

Delivery mode

This course is delivered online.

Kaplan Professional'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.

KapLearn is the access point for course notes, supplementary learning material, practice activities and assessments. KapLearn is also the access point for ongoing support. The 'Ask your tutor' forum provides technical support from course matter experts.

Assessment tasks

The assessment tasks for this course are listed below.

Topic	Assessment	Assessment Detail
Topics 1–5	1 Exam	Unsupervised, open book multiple choice examination, four (4) sittings.
Topics 1–5	1 Written Assignment	Written assignment — two (2) attempts. <ul style="list-style-type: none"> • Written — The preparation of a compliant Statement of Advice for a given client

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

Students must be deemed competent in all assessment items, including demonstrating competency in all of the exam questions, in order to be awarded their certificate of completion.

Students who complete the Foreign Exchange Specialist course will receive a certificate of completion from the online subject room.

Recognition of Prior Learning

Recognition of prior learning (RPL) is not available for this course.

Study hours

Weeks	Topic name	Assignment	Exam	Study load in hours
1	Topic 1: Foreign exchange markets	Download written assignment Read case study background	Complete Topic 1 review questions	10
2	Topic 2: Spot transactions	Begin Sections 1–4 (e) of written assignment	Complete Topic 2 review questions	10
3	Topic 3: Foreign exchange forward markets	Complete Sections 1–4 (e) of written assignment	Complete Topic 3 review questions	10
4	Topic 4: Currency options	Commence question 4 (f) of written assignment	Complete Topic 4 review questions	10
5	Topic 5: Foreign exchange risk management and tax	Complete SOA of written assignment	Complete Topic 5 review questions Start studying for exam	10
6	Re-read learning objectives and key points for Topics 1–5	Complete questions 5–9 of written assignment	Study for exam and take Practice exam	10
7-12	Sit/resit exam (may require up to 4 sittings, with additional study for each) Review and submit/re-submit written assignment (may require up to 2 attempts, with revision for each)			30
12-16	Resubmission (if all attempts noted above not previously utilised)			20
Total recommended study hours				110 hours
Additional unsupervised study hours (if required), dependent on industry experience and knowledge				25 hours