

No. 1267

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SOUTH AFRICAN QUALIFICATIONS AUTHORITY (SAQA)

In accordance with regulation 24(c) of the National Standards Bodies Regulations of 28 March 1998, the Standards Generating Body (SGB) for

Financial Services

Registered by NSB 03, Business, Commerce and Management Studies, publishes the following qualification and unit standards for public comment.

This notice contains the titles, fields, sub-fields, NQF levels, credits, and purpose of the qualification and unit standards. The qualification and unit standards can be accessed via the SAQA web-site at www.saga.org.za. Copies may also be obtained from the Directorate of Standards Setting and Development at the SAQA offices, Hatfield Forum West, 1067 Arcadia Street, Hatfield, Pretoria.

Comment on the unit standards should reach SAQA at the address below **and no later than 28 November 2004**. All correspondences should be marked Standards Setting – SGB for Financial Services and addressed to

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National Certificate: Financial Services: NQF Level 3

1. **FIELD:** Business, Commerce and Management Studies
2. **SUB-FIELD:** Finance, Economics and Accounting
3. **NQF LEVEL:** 3
4. **CREDITS:** A minimum of 120
5. **RATIONALE FOR THE QUALIFICATION:**

The National Certificate in Insurance Administration: Level 3 NLRD No 20177 was registered in 2001 to meet the needs of multiple work roles, organisational requirements and the changing technological nature of the insurance industry. It provided a broad knowledge of the insurance industry and progress along a career path for learners in the insurance industry.

The financial services environment has changed substantially since 2001. The introduction of The *Financial Advisory and Intermediary Services Act*, (Act 37 of 2002 (FAIS)) and the *Finance Intelligence Centre Act*, (Act 38 of 2007 (FICA)) has raised awareness about issues of compliance. In addition, *The Fit and Proper* registration requirements of the Financial Services Board (FSB) require intermediaries to hold certain educational Qualifications. The risk to financial service businesses across the sector if administrative personnel are not aware of compliance issues is now of major concern to the industry. Administrative work in the industry, in general, is at Level 3.

The Financial Charter was adopted in 2003. As part of the Charter, the Financial Services Industry undertook to offer a number of learnerships in Financial Services to unemployed youth. The number of employees in the sector continues to shrink and it is unlikely that the industry will be able to offer employment to the number of people it is required to train in learnerships. In consultations with the Department of Labour it was agreed that the industry should offer learnerships towards a financial services Qualification and provide the opportunity for unskilled and unemployed youth to acquire skills and work experience. It was agreed that the required Qualification should include life skills and entrepreneurship so that the learners are able to seek employment in another sector or start their own businesses. This will help to address the skills shortage in the country and provide opportunities for people who, at present, do not have marketable skills and experience. The proposed *National Certificate: Financial Services: Level 3* will enable the industry to fulfill its learnership obligations and a number of Unit Standards that focus on life skills have been included to ensure that the Qualification is fit for purpose.

The National Certificate: Financial Services: Level 3 will replace the National Certificate in Insurance: Level 3 when the National Certificate in Insurance: Level 3 reaches the end of its registration period.

	Services industry in South Africa		
114985	Indicate how different needs lead to the development of different financial services products.	3	4
To replace 8993	Interpret current affairs related to a selected business sub sector.	3	10
114960	Investigate the need to provide financially for own retirement.	3	3
114970	Manage risk in own life.	3	3
114979	Operate a computer workstation in a business environment.	3	2
114984	Manage electronic mail in a business environment.	3	2
SGB Life Skills	Describe how to manage workplace relationships.	3	2
114952	Apply problem-solving techniques to make a decision or solve a problem in a real life context.	3	2
114962	Investigate the structure of a financial services workplace.	2	3
113904	Explain how money laundering legislation impacts on monetary transactions in South Africa.	2	2
113924	Apply basic business ethics in a work environment.	2	2
113918	Explain the implications of the Financial Advisors and Intermediaries Services Act, (FAIS) for employees in financial services organisations.	2	2
114974	Apply the basic skills of customer service	2	2
New standard	Manage time effectively to enhance productivity and enable a balanced lifestyle.	3	2
TOTAL FOR CORE COMPONENT			54
Elective Component (Choose a minimum of 20 credits.)			
Computer Literacy			
114981	Capture numerical data and text information on electronic database	2	2
114978	Use a word processing package to produce business documents.	3	3
114979	Use a spreadsheet package to produce business documents	3	3
114980	Use a presentation package to produce business documents	3	3
114915	Use a web browser in a business environment.	3	3
New standard	Investigate the upside and downside business risk in hand held electronic devices	3	3
113911	Use an electronic system as a tool in a financial services context.	3	2
113912	Use an electronic system to propose a financial solution.	4	3
General Administration and Industry Knowledge			
114959	Behave in a professional manner in a business environment.	2	4

114973	Identify the types of records required in the financial services industry and indicate why it is necessary to create evidence.	2	2
114971	Maintain an existing information system in a financial services environment.	2	2
114957	Contribute to the health, safety and security of a financial services workplace.	2	2
New	Explain basic economics	3	3
14994	Explain insurable risk	4	2
14991	Apply the law of contract to insurance.	4	2
14979	Describe issues of compliance or non-activity that could result in civil or criminal liability in terms of business law.	4	2
113923	Explain fiduciary responsibilities and the associated risks.	4	1
Bookkeeping and accounting			
New standard	Apply knowledge of basic accounting principles to financial services.	3	4
SGB Book keeping	Compile reconciliation statements.	3	6
SGB Book keeping	Prepare general ledger accounts and initial trial balance.	3	5
SGB Book keeping	Administer payments and expenses.	3	4
SGB Book keeping	Administer income and receipts.	3	4
SGB Book keeping	Calculate and record Value added Tax Transactions.	3	5
SGB Book keeping	Administer credit purchases transactions.	3	3
SGB Book keeping	Understand the petty cash system.	3	3
Financial Services Related Personal Development			
New standard	Manage own work performance in relation to an organisation's performance management system.	3	2
113907	Explain the impact of personal wellness on work performance.	3	2
12547	Demonstrate knowledge and understanding of the role, functions and duties of trustees of retirement funds.	3	4
12548	Demonstrate ability to use and interpret texts that apply to the role and responsibilities of trustees of retirement funds.	3	4
12550	Demonstrate knowledge and understanding of the role, functions and duties of trustees of medical schemes.	3	4
SGB Life Skills	Apply knowledge of self and own situation to manage the risks resulting from change in the workplace.	3	3
114932	Explain how to manage diversity in the workplace.	3	2
SGB Life Skills	Identify causes of stress and techniques to	3	2

	manage it in the workplace.		
SGB Life Skills	Apply knowledge of HIV/AIDS to a specific business sector and a workplace.	3	4
114936	Participate effectively in a team or group.	2	2
113929	Render basic first aid in an office workplace.	2	4
114945	Identify ways of managing relationships in own life.	2	2
114950	Apply ways of leading in different situations.	2	3
114940	Identify risks associated with substance abuse and dependency in own life.	2	2
114933	Identify risks associated with disability in own life.	2	2
114939	Identify causes of stress in own life and techniques to manage it.	2	2
114949	Identify oneself with a situation of abuse and develop coping mechanisms.	2	2
114944	Identify ways to manage anxiety and depression in own life situation.	2	2
11816	Demonstrate knowledge and understanding of the rights and responsibilities of the individual under the South African Constitution	2	2
11817	Demonstrate knowledge and Understanding of the structures that reinforce and support human rights in South Africa.	2	3
12549	Demonstrate knowledge and understanding of the individual's basic rights and responsibilities under a medical scheme.	1	1
12546	Demonstrate knowledge and understanding of the individual's basic rights and responsibilities under a group retirement fund.	1	1
Long Term (Life, Gt3 and HBA)			
114983	Describe life insurance.	3	3
To replace 8986	Indicate the scope of life insurance in South Africa.	3	4 on review
114956	Describe funeral insurance.	3	2
To replace 14431	Administer a long term insurance claim.	3 on review	2
To replace 10395	Describe group insured benefits.	4	2
To replace 10394	Analyse the role of group retirement benefits in the insurance industry.	4	2
To replace 10390	Analyse different group retirement products.	4	2
To replace 9003	Administer long term employee benefits and medical scheme membership.	3	3 on review
New standard	Administer basic asset related transactions in a Retirement Fund.	3	3
113910	Describe disability insurance solutions in the context of financial planning.	4	4
113913	Investigate dread disease products and their place in wealth management	4	2
113931	Describe the main aspects of pre and post retirement planning.	4	2
HBA			
114972	Explain Healthcare Benefits Administration in South Africa.	3	2

To replace 12314	Explain the use of coding in Healthcare Benefits Administration.	4	4
To replace 12323	Describe healthcare cover in South Africa.	3 changed on review	2 changed on review
113927	Analyse the proposed National Health Policy as a means of providing healthcare for the nation.	4	4
Short Term			
114964	Describe shortterm insurance	3	3
To replace 8997	Indicate the scope of short term insurance in South Africa.	3	3
New standard	Explain insurance transactions specific to Lloyd's of London.	3	2
To replace 10370	Process a short term personal domestic insurance claim.	4	3
14978	Process a claim in credit risk insurance.	4	4
New standard	Explain aviation insurance	3	2
Collective Investments			
8990	Describe collective investment schemes.	3	2
8999	Outline the structure of the collective investment industry	3	2
9000	Indicate how collective investment scheme portfolios are reported.	3	2
9001	Explain basic transactions in the collective investment industry.	3	2
New standard	Administer basic asset related transactions.	3	5
New standard	Administer basic client related transactions in a Collective Investment Scheme Manager or Linked Investment Service Provider (LISP).	3	10
12180	Describe the sales function in a Collective Investment Schemes Manager or Linked Investment Service Provider (LISP).	4	4
12183	Indicate how different needs lead to the development of different investment products.	4	5
113916	Explain basic investment principles.	4	3
113906	Explain Capital Markets and capital market instruments. NB note the title	4	2
113905	Explain Equity Markets and equity market instruments.	4	2
113908	Explain Money Markets and money market instruments NB note the title	4	2
Sales and marketing			
114958	Market an assistance policy.	2	3
14319	Explore strategies to retain or expand existing business in the insurance/investment industry.	4	3
113903	Demonstrate skills and techniques required to build a relationship with a client in a financial services environment	4	3
113921	Apply knowledge of the sales cycle in wealth	4	3

	management		
Legislation			
114966	Explain the types of compulsory statutory insurance in South Africa.	3 note level	2
12166	Demonstrate knowledge and insight into the Collective Investment Schemes Act, 45 of 2003 (CICSA).	4	2
12164	Demonstrate knowledge and insight of the Financial Advisory and Intermediary Services Act (FAIS) (Act 37 of 2002).	4	2
14506	Explain the Financial Intelligence Centre Act, 38 of 2001 and the implications of the act for client relations.	4	3
14315	Demonstrate knowledge and insight into the Income Tax Act (58 of 1962) as amended as it applies to insurance and investment products. Note title	4	2
10381	Demonstrate knowledge and understanding of the Value Added Tax Act, (VAT) 89 of 1991 as amended as it applies to insurance policies.	4	2
12167	Demonstrate knowledge and understanding of the Capital Gains Tax Legislation as it applies to insurance and investment.	4	2
10392	Demonstrate knowledge and insight into the Estate Duties Act (45 of 1955) as it applies to insurance.	4	2
To replace 12332	Apply the regulations for disclosure that are required as part of the financial sales process.	4	2
To replace 12335	Apply knowledge of the current Medical Schemes Act and the accompanying regulations.	4	3
113932	Explain The Medicines And Related Substances Control Amendment Act, 59 of 2003 as it impacts on medical schemes.	4	2
To replace 10378	Apply knowledge and insight into the statutory cover afforded under the Compensation For Occupational Injuries And Diseases Act, 130 of 1993, as amended (COIDA).	4	3
To replace 10377	Explain the scope of the Compensation for Occupational Injury and Disease Act 130 of 1993 (COIDA).	4	2
To replace 10391	Explain the legislation relating to marriage, divorce and maintenance as it applies to retirement benefits.	4	2
To replace 10393	Analyse the Pension Funds Act as it applies to the administration of retirement funds.	4	3 changed on review
10364	Describe the standard insurance cover in terms of SASRIA.	4	4 changed on review
To replace 14316	Apply knowledge and insight into aspects of the Long Term Insurance Act (1998)	4	2
To replace	Apply knowledge and insight into the Short	4	3 changed

10194	Term Insurance Act (No 53 of 1998) and the accompanying regulations.		on review
Additional financial literacy			
10717	Examine the application of the Basic Conditions of Employment Act and its effect on earnings in own contract.	2	2
10715	Investigate credit in own circumstances.	2	3
10718	Use a personal budget to manage own money.	2	3
10716	Examine the costs and benefits of using banking institutions for managing personal finances.	2	2
To replace 10386	Investigate the possibilities of establishing and running a small business enterprise (SMME).	4	3
To replace 10387	Investigate ways of managing financial risk in own lives.	4	5 changed on review
To replace 10385	Develop a business plan for a small business	4	5
To replace 10389	Describe and apply the basic principles of personal income tax.	4	3
To replace 10388	Interpret basic financial statements.	4	4 changed on review
Management			
13912	Apply knowledge of self and team in order to develop a plan to enhance team performance.	3	5
13917	Indicate the role of the team leader in ensuring that a team meets an organisation's standards.	3	4
13914	Conduct a formal meeting.	3	3
113909	Coach a team member in order to enhance individual performance in a work environment.	3	5
13948	Negotiate an agreement or deal in an authentic work situation.	4	5
13949	Apply technical knowledge and skill to align business unit performance to business goals.	4	5
13947	Motivate a team	4	6
114215	Mentor a colleague to enhance the individual's knowledge, skills, values and attitudes in a selected career path.	4	3
114212	Explain the impact of organisational wellness on a business environment and indicate a strategy for a business unit.	4	3
TOTAL FOR ELECTIVE COMPONENT			356 Min 20
TOTAL FOR QUALIFICATION			120