

FSPIO05 – SQA Unit Code H5GR 04

Arrange the settlement of investment transactions



Overview

This unit relates to your role in relation to the settlement of market transactions. Performance can be manual or computer based, although it is anticipated that most settlements are conducted through the established market systems. The unit stresses the need for this area of performance to be conducted both accurately and to strict deadlines to enable settlements to be made according to the required timescales. Settlement activity may reveal instances of non-compliance and these should be reported and any errors or discrepancies must be investigated and resolved. The other aspect of performance covered by the unit is in relation to the processing of registrations on behalf of investors and the consequent need to communicate with registrars, custodians, fund managers etc. You will also need to pay attention to details that are critical to work.

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Performance criteria

- You must be able to:*
- P1 Reconcile investment instructions accurately to market transactions
 - P2 Keep and maintain up-to-date records of assets together with monies owed or to be claimed from traders or investors
 - P3 Arrange for settlement of the purchase and/or sale of assets and conduct settlement within set timescales
 - P4 Ensure instructions to process payments are accurate and within permitted time limits
 - P5 Ensure settlement reports are complete and accurate and agreed with the appropriate authority
 - P6 Ensure records of transactions accurately detail the number and title of securities to be registered in the investor's name
 - P7 Ensure investor details for registration of securities are complete and accurate
 - P8 Provide information relating to the acquisition of stocks and shares and balances owed to or by the organisation promptly to the relevant people
 - P9 Identify, investigate and resolve errors or discrepancies promptly
 - P10 Store entitlement documents in the correct location
 - P11 Identify and respond to actual or potential instances of noncompliance with regulations and report them to the relevant authority when appropriate
 - P12 Comply with legal requirements, industry regulations, including ethical standards and health and safety, organisational policies and professional codes

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Knowledge and understanding

You need to know and understand:

- K1 The legal and regulatory framework in relation to the settlement of transactions in both the UK and relevant overseas markets and the effect it has on your work
- K2 The structure of the investment market including the role of your own organisation and external parties and organisations in the settlement of transactions
- K3 The range of settlement systems used in the market and the purpose of these systems
- K4 Settlement rules in both the UK and relevant overseas markets (for example, tax requirements, stamp duty, commissions etc)
- K5 Your organisation's procedures for the use of settlement systems
- K6 Other individuals and teams involved in the settlement process and how they impact upon your role in maintaining the settlement process
- K7 The range of transaction types and settlement periods that you are likely to encounter within your work role
- K8 What the failed transaction procedures are and your role in those procedures
- K9 Your organisation's procedures for reporting errors or discrepancies in the settlement process and your role in that process
- K10 How to establish and maintain effective relationships with stakeholders, including the use of interpersonal and communication skills and the concepts of quality service delivery
- K11 How your organisation's requirements relating to the application of codes, laws and regulatory requirements, including ethical standards and health and safety impact on your activities

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Additional Information

Behaviours

1. You take pride in delivering high quality work
2. You present information clearly and concisely
3. You make information available only to those who need it and have a right to it

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