

THE NEED FOR A LEARNERSHIP IN FINANCIAL MARKETS

RESEARCH REPORT SUBMITTED TO FASSET

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ACRONYMS AND ABBREVIATIONS

ETQA	Education and Training Quality Assurer
Fasset	Sector Education and Training Authority for Finance, Accounting, Management Consulting and Other Financial Services
JSE	JSE Securities Exchange
NQF	National Qualifications Framework
OFO	Organising Framework for Occupations
QCTO	Quality Council for Trades and Occupations
RPE	Registered Persons Examinations
RPL	Recognition of prior learning
SAIFM	South African Institute for Financial Markets
SAIS	South African Institute for Stockbrokers

EXECUTIVE SUMMARY

In 2008 Fasset received a request from the JSE Securities Exchange (JSE) in collaboration with the South African Institute for Financial Markets (SAIFM) to finance the development of a learnership in financial markets. Fasset's board decided in principle to support such a learnership, but requested research to look into the viability of the learnership.

The research included several interviews with the SAIFM, representatives of the JSE, and the one training provider accredited by Fasset to offer a Diploma in Financial Markets. In addition to this, electronic questionnaires were sent to the 132 stockbroking firms registered to trade on the JSE. A total of 22 organisations responded. The majority of the respondents (19 out of the 22) felt that there is a need for a learnership in financial markets. Their main motivations were that there is a general shortage of skilled and appropriately qualified people in the financial markets and, more specifically, the shortage of qualified black people that exists inhibits the transformation of the sector.

In the questionnaire that was sent to the employers they were also asked in which areas of work they felt the need existed. Seventeen employers identified a need for a learnership in compliance and 15 felt that a learnership should prepare learners for trading. Eleven felt that a need also exists for a learnership in settlement and nine in sales trading.

The organisations who were prepared to answer the questions on potential uptake said that they would take on a total of 178 learners.

The challenges companies would face if they were to take on learners on a learnership are:

- Getting their organisations to make time and resources available to train learners;
- The retention of learners in a very competitive labour market;
- Overcoming negative attitudes or indifference in the industry towards learnerships;
- Creating work and training opportunities for learners;
- Providing learners with the necessary physical resources; and
- Finding suitable learners.

It is concluded that the need for a learnership that was identified in 2003 still exists and that the industry is now more aware of and ready for the implementation of a learnership than it previously was. The potential uptake of approximately 180 learners warrants the development of a learnership – especially as financial markets is a specialised area that does not employ large numbers of people. Although we recommend that Fasset continues with the development of a learnership, it must be

noted that the successful implementation of a learnership in financial markets will be highly dependent on a number of factors including:

- The continued support of the JSE and the way in which registration of traders will be linked to the qualification;
- The financial support given to employers;
- The ease with which employers can enter into the learnership; and
- The structure of the learnership and the way it fits in with the work environment.

Any learnership should lead to a qualification that is registered on the NQF. Two national qualifications in financial markets that are currently registered on the NQF were considered for the learnership. They are the National Certificate: Financial Markets and Instruments Level 6 and the National Diploma: Financial Markets Level 6. However, when an appropriate qualification is considered, cognisance needs to be taken of the new NQF Act and the new occupational qualifications framework that will be developed under the auspices of the newly established Quality Council for Trades and Occupations (QCTO). It was concluded that given the time, cost and effort involved in the development of training materials it would be advisable to first develop a new qualification within the new framework and then to register a learnership against such a qualification. The advantage of following this route (as opposed to using one of the current qualifications) is that the new qualification(s) can be developed to fit the current requirements of the financial markets, to cater for the different specialisations, and to fit in with the new JSE requirements.

The QCTO draft regulations stipulate that all new occupational qualifications need to be linked to occupations that occur on the Organising Framework for Occupations (OFO). The financial markets occupations (and the alternative titles currently listed under each of them) that currently occur on the OFO don't accurately reflect the functions or specialisations in the South African financial markets and they need to be revised before the development of a qualification can take place (or as a first part of the development process).

Once a qualification has been developed and registered and a learnership has been registered, the financial markets sector will need support with the implementation of the learnership. This support may include:

- The development of a toolkit that includes all the documentation needed for the implementation of the learnership;
- Support to employers to meet accreditation requirements and submit accreditation applications;

- Mentorship training for employers;
- Training of assessors and moderators;
- The development of assessment instruments;
- The development of recognition of prior learning (RPL) mechanisms/instruments; and
- Marketing of the learnership.

The main challenges associated with the development of a learnership in the financial markets include:

- Getting the learnership training model established in this industry;
- Getting employers to accept the initial financial layout required for the time that the learner undergoes theoretical training;
- Succeeding in the development of a new qualification (within a reasonable period of time) so that the development of the learnership can continue; and
- Succeeding in the implementation of the learnership while employers are still grappling with the effects of the recession.

1 INTRODUCTION

1.1 Background

In 2003 Fasset commissioned a research project to investigate the need for strategic learnerships in its sector. In the research project it was found that a need existed for a learnership in financial markets, but certain reservations regarding the sector's readiness to engage in a learnership and the potential uptake of a learnership were expressed. At that stage there was also no strong lobby for a learnership from the sector's side and Fasset did not pursue the development of a learnership.

However, in 2008 Fasset received a request from the JSE Securities Exchange (JSE) in collaboration with the South African Institute for Financial Markets (SAIFM) to finance the development of a learnership in financial markets. In the 2008/2009 strategic planning session Fasset's board provisionally allocated an amount for the development of such a learnership but requested an objective research report on the need for the learnership before the money would be made available.

1.2 Aims and objectives of the research

The research aimed to answer the following questions:

- Is there (still) a need for a structured learning programme such as a learnership in the financial markets?
- If so, is a learnership the type of programme that will render the optimum results or are there other options that need to be considered?
- What is the potential uptake of such a learnership (or other learning programme)?
- At which NQF level should the learning programme be pitched?
- Which qualification is most suitable?
- How should the learning programme be structured and how should it tie in with existing programmes and examinations – for example the Registered Persons Examinations (RPEs) of the JSE?
- How should the learnership model be structured in terms of the roles of the professional bodies?

The research also aimed to identify possible pitfalls and factors that may influence the successful implementation of a learnership.

1.3 Methodology

The research included several interviews with the SAIFM, representatives of the JSE, and the one training provider accredited by Fasset to offer a Diploma in Financial Markets. In addition to this,

electronic questionnaires were sent to the 132 stockbroking firms registered to trade on the JSE. The questionnaires were sent first by the compliance division of the JSE to the compliance officers and they were requested to either complete the questionnaires themselves or to send them to the relevant people in their organisations. A week later a reminder was sent by the research team to the same group of people and the questionnaire was again attached to the e-mail. This method was chosen because it provided an easy and cost-effective way of communicating with the potential users of a learnership.

A total of 22 organisations responded. Of these, seven employ fewer than 50 people, nine employ between 50 and 149 people, and six employ 150 people or more. The last group includes the trading divisions of four banks.

Table 1-1 Sample realisation

Organisation size	Number of respondents
Fewer than 50	7
50 – 149	9
150+	6
Total	22

1.4 Structure of the report

Section 2 of this report reflects the results of the electronic survey – i.e. employers' views on the need for a learnership. Section 3 deals with the qualifications that are suitable for a learnership and Section 4 deals with our recommendations regarding a learnership in financial markets.

2 RESPONDENTS' VIEWS ON THE NEED FOR A LEARNERSHIP

2.1 The need for a learnership

The majority of the respondents (19 out of the 22) felt that there is a need for a learnership in financial markets. They offered the following motivations for their views:

- There is a general shortage of skilled and appropriately qualified people in the financial markets;
- There is specifically a shortage of black people with the necessary skills at a time when the sector needs to transform – some respondents said that the black talent pool from which the sector can recruit is very small and very expensive; and
- It is difficult to employ people without some prior experience in certain positions and a learnership would provide the opportunity to gain some experience.

Some of the respondents said that they would like to make a contribution to the sector's available skills pool by training learners on a learnership. Some also said that the financial markets environment is a very expensive environment in which to train people and that financial incentives associated with a learnership would make training more viable.

Only two of the respondents who participated in this survey said that there is no need for a learnership in financial markets. Both were of the opinion that a learnership is not the appropriate training method. One small employer said that:

most organisations short of large banks cannot afford to train and carry someone who is not likely to add to the bottom line in the short term, unless [that person] will be in the organisation for several years. Much information is sensitive and proprietary and the risk of having someone leave your employment with this information is too great. It's not like other articles or clerkships where the 'cheap labour' idea makes up for this as there is not a great deal of work that an unqualified/inexperienced person can be allowed to perform...

The second employer was of the opinion that the current JSE examinations that are administered by the SAIFM provide sufficient training.

A representative of one of the large banks who did not respond to the questionnaire as such said in an e-mail that the bank was under so much pressure as a result of the current economic crisis that training was not a priority. For this reason, the bank would not become involved with the development or the implementation of a learnership. Another large stockbroking firm reacted to the invitation to participate in the research by saying that, as it did not qualify for Fasset's learnership cash grants, it was not interested in a learnership.

The idea of a learnership is obviously supported by the JSE and the SAIFM, who applied for funding for the development of a learnership. An important issue raised by the JSE's compliance manager was that the JSE is currently revising its registration requirements and that it would prefer to link registration to a qualification that is registered with the NQF. Ideally, a learnership should also lead to such a qualification.

The notion of a learnership in financial markets was also supported by the training provider who was interviewed. This provider offered a programme very similar to a learnership in 2004 and placed the learners in employment with great success.

In the questionnaire that was sent to the employers they were asked in which areas of work they felt the need for a learnership existed. Table 2-1 summarises their responses. Seventeen of the 19 employers who felt that there is a need for a learnership identified compliance as the main area in which training should take place and 15 felt that a learnership should prepare learners for trading. Eleven felt that there is also a need in settlement and nine in sales trading. There were also respondents who identified a need in each of the other work areas. In the area of finance (accounting) the need is probably for an accounting learnership, but with specialisation in the financial markets.

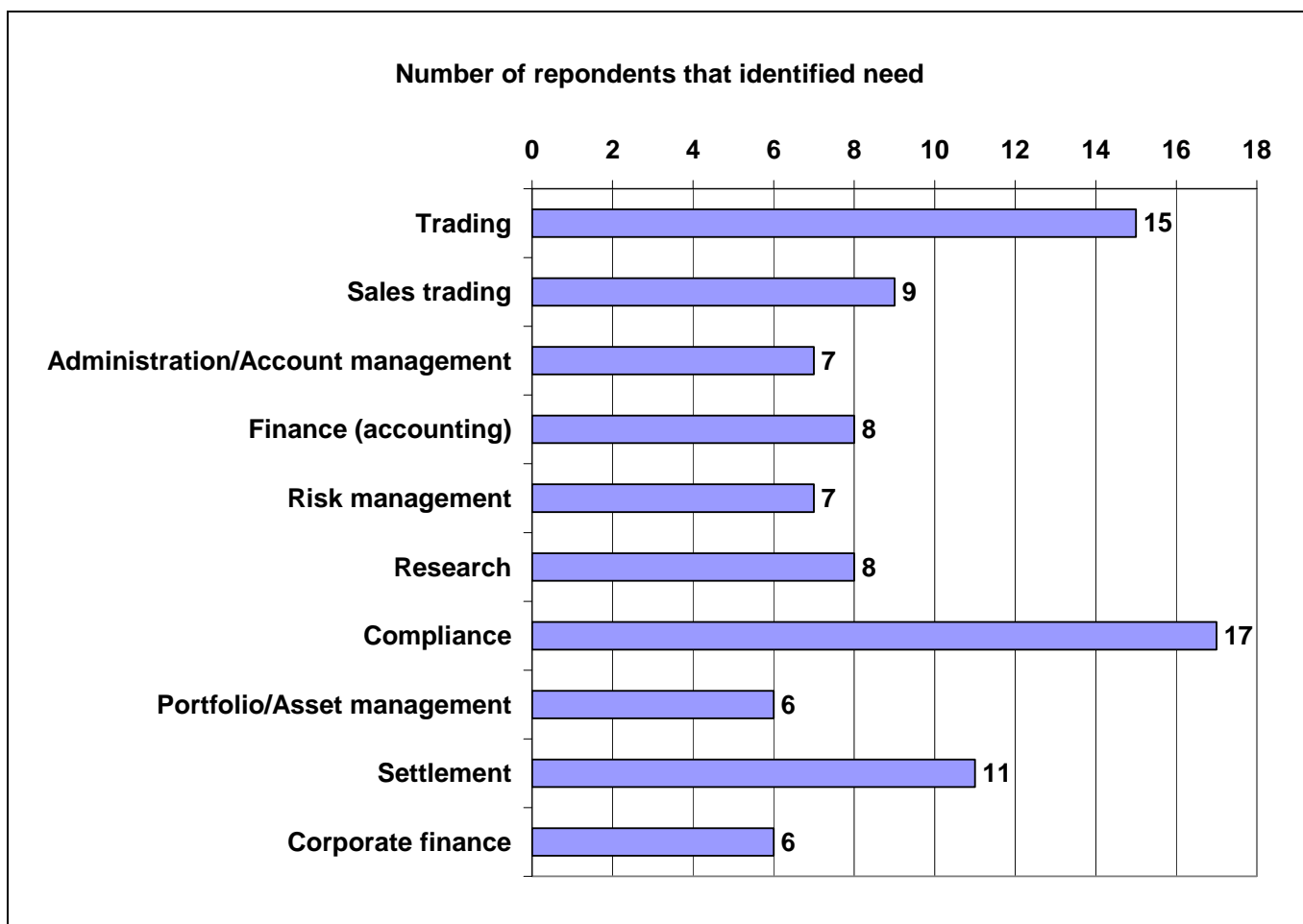


Figure 2-1 The number of respondents that identified a need for a learnership in each work area in the financial markets

2.2 Potential uptake

Not all of the organisations who identified a need for a learnership were prepared to say how many learners they would accept for a learnership even though they were assured that their answer in the questionnaire did not constitute a firm commitment to take on that number of learners. Nevertheless, those who were prepared to answer the question said that they would take 178 learners. The number of learners that the organisations said they would be able to accommodate in each work area is shown in Figure 3-1.

The respondents said that they would be able to place 39 learners in compliance and 30 in trading. This number was followed by risk management (22 learners), sales trading (17), and administration or account management (17). In the more advanced areas of portfolio or asset management, research and corporate finance, respondents said they would be able to accommodate respectively 14, 12 and 11 learners.

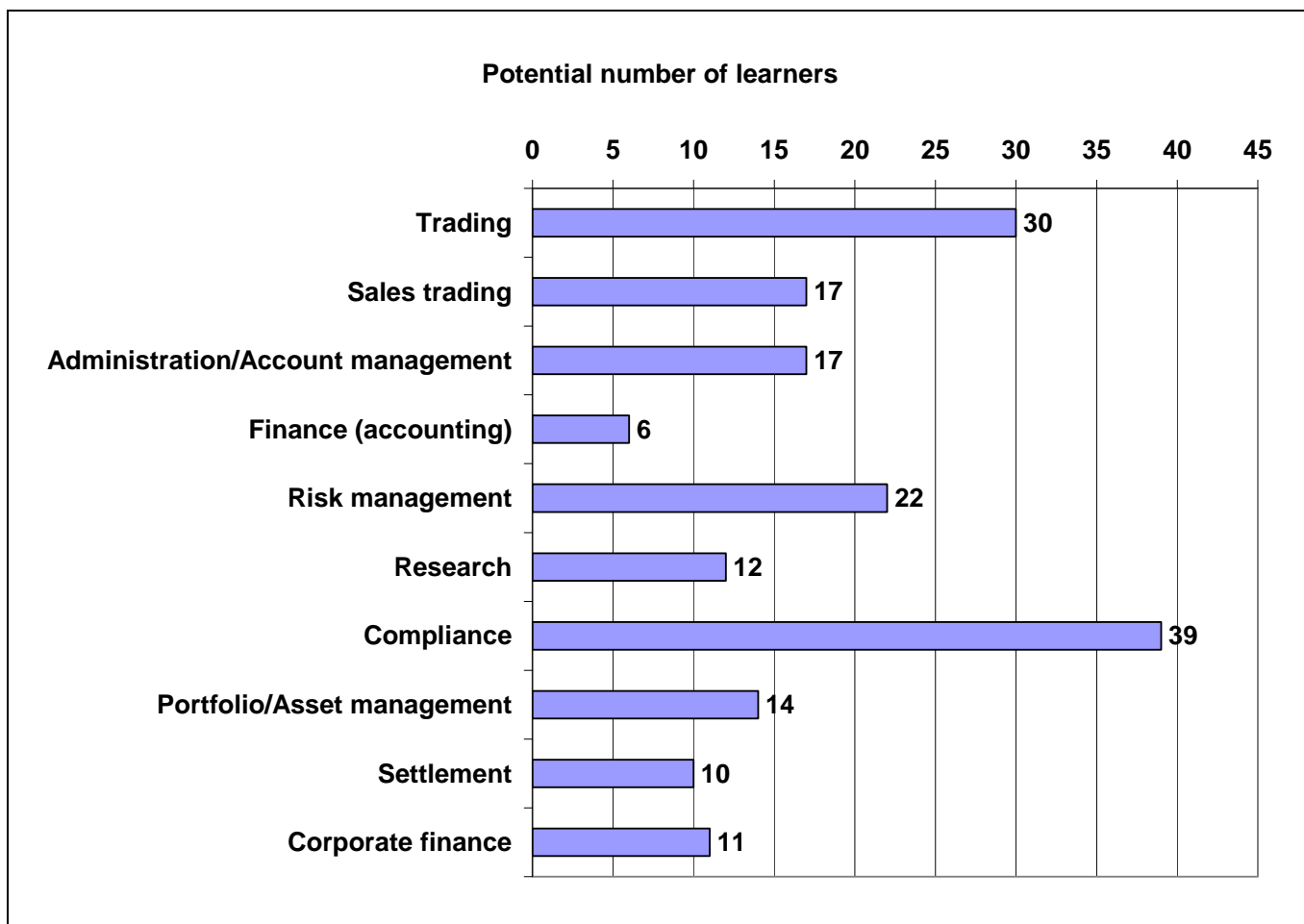
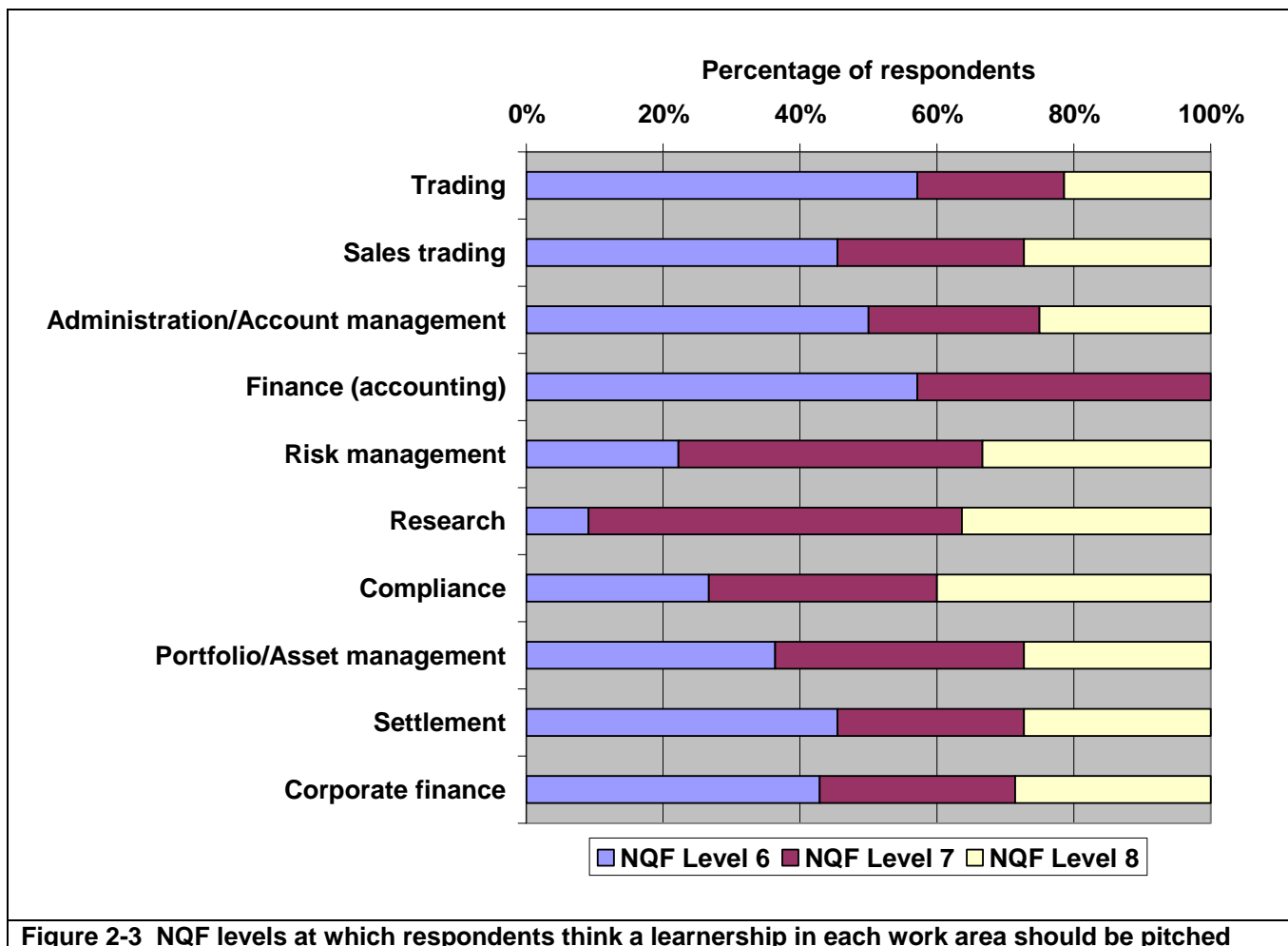


Figure 2-2 Number of learners that organisations reported they would take on in each work area in the financial markets

2.3 NQF levels

Another question posed to the respondents was at which NQF level the qualification of the learnership should be. The question referred specifically to the *new* NQF levels. NQF Level 6 referred to a diploma or advanced certificate, NQF Level 7 to a bachelors' degree or advanced diploma and NQF Level 8 to an honours degree or postgraduate diploma.

The results can be seen in Figure 4-1. The respondents differed in their opinions about the levels but, from the figure, it is clear that the majority felt that the training for trading, sales trading, administration or account management, finance, portfolio or asset management, settlement and corporate finance could take place at NQF levels 6 and 7. However, the majority felt that risk management, research and compliance require higher-level skills and that training should take place at NQF levels 7 and 8.



2.4 Challenges that organisations will face

A last question posed to respondents was what kind of challenges companies would face if they were to take on learners on a learnership. The following challenges were listed:

a) Industry making time and resources available to train learners

Most of the respondents cited this as a major challenge. Several referred to the fact that their current employees are already stretched and that the mentoring of a learner or learners would increase their workloads. One of the respondents said that the people who would make excellent mentors are also those who have very large workloads.

b) Retention of learners

A few employers were concerned that they would not be able to retain good learners as employees because of the fierce competition in the industry for talented and well-trained people.

c) Attitudes in the industry towards learnerships

Concerns were raised with regard to traders' lack of interest to become involved with learners, as well as possible negative attitudes of current workers towards learners.

d) Work and training opportunities for learners

Some of the employers were concerned that they would not have enough work for the learners in the current economic climate. Several were concerned about their ability to give learners the training and practical exposure that they would need. One mentioned that the training time available during a learnership might not be sufficient to cover the scope and complexity of the work.

e) Physical resources

One of the smaller employers said that they don't have sufficient office space to accommodate learners.

f) Suitable learners

One of the respondents was concerned about finding suitable candidates for a learnership.

2.5 Conclusions

The number of responses to this survey was somewhat disappointing and it may be symptomatic of the organisations in financial markets' lack of interest in a learnership. In the evaluation of the potential uptake of a learnership it would be safe to assume that the organisations that did not respond to the questionnaire are not interested in a learnership. Nevertheless, in our opinion the 17

organisations that indicated that there is a need for a learnership and the potential uptake from these organisations are sufficient to warrant the development of a learnership.

3 QUALIFICATIONS

3.1 Introduction

Any learnership should lead to a qualification that is registered on the NQF. There are currently two types of processes for the development of qualifications. The first is the development of a qualification by an individual education and training provider – a specific university, for example – and the registration of that qualification on the NQF. Qualifications developed in this way are referred to as “provider-based” qualifications. Most of these qualifications are qualifications conferred by the universities and universities of technology.

The second development process is the development of national qualifications (which are available to all accredited providers) through a Standards Generating Body (SGB). These qualifications are called “SGB qualifications”.

In June 2007 the ministers of education and labour introduced the Quality Council for Trades and Occupations (QCTO) in the Joint Policy Statement on the Review for the National Qualifications Framework. The QCTO was legally established in 2008 through the Skills Development Amendment Act. The main function of the QCTO is to manage and coordinate qualifications in the occupational qualifications framework in terms of their development, provision, assessment and impact. According to the Act, an occupational qualification is defined as a qualification associated with a trade, occupation or profession resulting from work-based learning. In the draft regulations for the QCTO two types of qualifications are introduced: “occupational awards” and “skills programmes”. The new structures and processes for the development of these qualifications are also outlined in the regulations – albeit in draft format only.

3.2 Qualifications currently registered on the NQF

There are currently two national qualifications in financial markets registered on the NQF that could be considered for a learnership. They are the National Certificate: Financial Markets and Instruments Level 6 and the National Diploma: Financial Markets Level 6. (In both instances the Level 6 refers to the old NQF levels). Both of these qualifications are SGB qualifications and both are unit standards based – in fact, they share some of their unit standards.

The National Certificate: Financial Markets and Instruments falls under the ETQA scope of the Bankseta. The minimum number of credits for this qualification is 120. The qualification consists of one fundamental unit standard (15 credits), six core unit standards (78 credits) and 20 electives from which the remaining 27 credits can be chosen. Two of the core unit standards (25 credits) are specific

to a banking environment. (See Annexure A.) The registration end date of this qualification is July 2012.

The National Diploma: Financial Markets falls within the ETQA scope of Fasset. The minimum number of credits for the qualification is 240. This qualification consists of five fundamental unit standards (43 credits), 11 core unit standards (144 credits), and four elective unit standards from which the remaining 43 credits can be chosen. (See Annexure B). The registration end date of this qualification is May 2012. The unit standards of this qualification have been mapped by the SAIFM to the JSE examinations and learners who qualify in the JSE exams also receive recognition for the unit standards. However, this mapping is not direct or perfect. Although there is an overlap of content, the modules leading to the JSE exams and the unit standards of the qualification are structured differently and therefore they cannot be matched directly. Furthermore, there has not yet been any uptake of the full qualification. This means that the full qualification has not yet been tested in practice and it has also not been revised since it was written a number of years ago.

4 CONCLUSIONS AND RECOMMENDATIONS

4.1 The need for a learnership

The research indicated that the need for a learnership that was identified in 2003 still exists and that the industry is now more aware of and ready for the implementation of a learnership than it previously was. In the evaluation of the potential uptake of approximately 180 learners it is important to take into consideration the fact that the total number of employees in the relevant occupations is relatively small – approximately 3 000 positions in Fasset's sector¹ (the number of people employed in the banking sector is not known). As a proportion of total employment the potential uptake is relatively large.

Another motivating factor is the strong support that the idea of a learnership has from the JSE and the fact that the JSE wishes to link the registration of traders to an NQF-registered qualification (or qualifications).

Although internships exist in the industry and provide an alternative to a learnership, the financial incentives associated with a learnership (which currently don't exist for internships) will probably make a learnership a more viable and attractive option for employers than an internship.

Although we recommend that Fasset continues with the development of a learnership, it must be noted that the successful implementation of a learnership in financial markets will be highly dependent on a number of factors:

- The continued support of the JSE and the way in which the registration of traders will be linked to the qualification – ideally at the completion of a learnership a learner should also have fulfilled all the requirements for trading in the various markets.
- The financial support given to employers – the fact that Fasset's learnership grants are limited to small- and medium-size organisations may have a negative impact on the uptake of a learnership. The extent to which the Strategic Cash Grant (SCG) can make up for this is not clear as the SCG requirements change from year to year.
- The ease with which employers can participate in a learnership – onerous accreditation processes may deter them from becoming involved in a learnership.

¹ Estimate of employment in 2009 in the occupational subgroup Financial Brokers and Dealers and Investment Advisors (OFO Code 222) obtained from the labour demand model developed for Fasset.

- The structure of a learnership – it is important that a learnership programme is structured in such a way that the learners would become productive soon after entering the workplace. In other words, they should first receive a thorough theoretical grounding before entering the workplace.

If these conditions are not met, a learnership may fail. Employers' first experiences with a learnership will probably have an effect on the longer-term prospects of them.

4.2 The changing skills-development environment

This study was conducted at a time when the skills-development environment was undergoing fundamental changes. These include changes to the skills-development legislation and, specifically, the institution of the QCTO. At the time of writing this report many aspects of the functioning of the QCTO and the way in which the registration of qualifications will be handled were still unclear. However, the new legislation is already operational and we cannot formulate our recommendations without due consideration of the imminent changes. Therefore, the recommendations presented in this report are based on our best understanding of the new qualification structures and the way they will work. One of the most important assumptions that we are making is that the new qualifications that will be registered under the QCTO, the occupational awards, will be accepted as the qualifications to which a learnership may lead.

Another factor that needs to be borne in mind is that the QCTO draft regulations stipulate that all new occupational qualifications need to be linked to occupations that occur on the Organising Framework for Occupations (OFO). It is therefore necessary to consider the occupational descriptions of the OFO before making recommendations regarding qualifications and learnerships.

4.3 Occupational descriptions of the OFO

The financial markets occupations fall in the OFO's occupational subgroup 222 Financial Brokers and Dealers and Investment Advisors. The specific occupations included in this subgroup are:

- 222101 Commodities Trader (Skill Level 5)
- 222102 Finance Broker (Skill Level 5)
- 222103 Insurance Broker (Skill Level 5)
- 222201 Financial Market Dealer (Skill Level 5)
- 222202 Futures Trader (Skill Level 5)
- 222203 Stockbroking Dealer (Skill Level 5)
- 222204 Investment Dealer (Skill Level 5)
- 222205 Equities Analyst (Skill Level 5)

These occupations (and the alternative titles currently listed under each of them) don't accurately reflect the functions or specialisations in the South African financial markets and they need to be revised.

4.4 Qualification to be used

In the discussions with various role players it became clear that the industry makes a clear distinction between different positions or roles listed in figures 2-1 to 2-3. It seems as if there is a difference in the personality and personal preferences of front-office workers and back-office workers. However, there is also a common body of knowledge that they have to master in order to perform their respective roles. It is therefore our opinion that it should be possible to train people against one qualification provided that the qualification provides sufficient elective components that cater for the different functions.

Of the two qualifications discussed in Section 3 above – the National Diploma: Financial Markets – is the most comprehensive and most appropriate for stockbroking firms. The National Certificate has a distinct banking focus which may limit its applicability in the rest of the financial markets environment. Both of these qualifications reach their registration end dates in 2012. According to our current understanding of the new and unfolding qualifications landscape, these qualifications will not be re-registered, but will have to be rewritten to fit in with the new occupational qualifications framework, which will fall under the QCTO. Given the time, cost and effort involved in the development of training materials it would be advisable to first develop a new qualification within the new framework and then to register a learnership against such a qualification. The advantage of following this route (as opposed to using one of the current qualifications) is that the new qualification(s) can be developed to fit the current requirements of the financial markets, to cater for the different specialisations, and to fit in with the new JSE requirements.

The actual level, structure and content of the qualification should be determined in the qualification development process. However, at this stage it is foreseen that an occupational award could provide the basic entry-level knowledge and practical and workplace experience needed for trading and settlement. Specialist skills certificates in research, compliance and risk management could be added to this. These certificates could possibly be at a higher NQF level than the occupational award.

4.5 Structure of the learnership

It is recommended that the learnership should be structured in such a way that the learners start with full-time theoretical training and practical simulations offered by training providers. Placement in the workplace should follow only after they have successfully mastered the bulk of the theoretical content.

The final assessments of the learners should be handled by either the training providers or a professional body. Employers should not be required to train assessors and moderators and they should, as far as possible, be free from learnership administration and the management of portfolios of evidence.

4.6 Professional body involvement

The two professional bodies active in the financial markets environment are the SAIFM and the South African Institute for Stockbrokers (SAIS). The SAIFM is currently accredited by Fasset as an assessment centre and it handles the Registered Persons' Examinations (RPEs) on behalf of the JSE. Both these bodies need to be involved in the development of a new qualification.

Most of the learnerships in Fasset's sector are linked to professional bodies and professional bodies play a pivotal role in: the promotion and marketing of the learnerships; quality assurance and the maintenance of standards; employer assistance; and final assessments. Some of the professional bodies also maintain the record-keeping systems of the learnerships. As this model has proved to be quite successful, it would be beneficial to further explore the roles that the professional bodies can play with regard to the implementation of this particular learnership.

4.7 Support required for the learnership

Once a qualification has been developed and registered and a learnership has been registered, the financial markets sector will need support with the implementation of the learnership. This support may include:

- The development of a toolkit that includes all the documentation needed for the implementation of the learnership;
- Support to employers to meet accreditation requirements and submit accreditation applications;
- Mentorship training for employers;
- Training of assessors and moderators;
- The development of assessment instruments;
- The development of RPL mechanisms/instruments; and
- Marketing of the learnership.

4.8 Risks and challenges

The learnership training model (i.e. a formal training model with a strong mentorship component) is foreign to the financial markets industry. The current RPEs are based on self-study and are therefore very much learner directed. Employers may find it difficult to switch to a training model that requires mentorship inputs from them. Current staff (especially traders) may be reluctant to accommodate learners – partly because it may disrupt their work activities and partly because they themselves had to reach their current positions without formal mentorship.

The financial layout to the employer may be considered as too high. This learnership will probably consist of a relatively large theoretical component. At the same time the financial markets sector is a very specialised training area and the time of trainers in this field will be expensive. This will mean that employers will have to pay a large sum for a period of time before the learner would even enter the workplace. Employers may perceive this as too large a risk, especially in a labour market where there is fierce competition for young black talent.

Another challenge facing the development of a learnership is the fact that a new qualification needs to be developed within a brand new qualification design system. This will probably be one of the first qualifications that will be submitted to the QCTO and it will have to be designed in the absence of other examples. It is particularly important to follow the correct procedures in design and consultation as prescribed by the QCTO.

The financial markets organisations have been greatly affected by the economic downturn. If the recession continues for a long period of time the firms' involvement in and uptake of the learnership may be jeopardised.

ANNEXURE A

UNIT STANDARD COMPOSITION - NATIONAL CERTIFICATE: FINANCIAL MARKETS AND INSTRUMENTS

	ID	UNIT STANDARD TITLE	OLD LEVEL	CREDITS
Core	14517	Apply basic economic principles to the financial services sector	Level 5	5
Core	117821	Enhance work practices within a treasury by the application of market knowledge in a banking environment	Level 5	15
Core	12887	Demonstrate an understanding of the functioning of the international financial markets within the South African context	Level 6	18
Core	12883	Evaluate companies based on their financial statements	Level 6	15
Core	12896	Analyse and evaluate the financial markets	Level 7	15
Core	117820	Identify the risk implications of trading associated within a treasury in a banking environment	Level 7	10
Fundamental	12882	Perform mathematical and statistical calculations relevant to the financial markets	Level 6	15
Elective	12881	Complete and submit reports within the financial markets sector as required by legislation and by company policy	Level 5	7
Elective	13402	Demonstrate an understanding of the core concepts of corporate finance	Level 5	7
Elective	13401	Demonstrate an understanding of the core concepts underlying private equity transactions	Level 5	7
Elective	14524	Demonstrate and apply knowledge and insight into property as an investment	Level 5	3
Elective	117773	Explain the structure and mechanics of financial markets	Level 5	28
Elective	117806	Manage risk within a forex trading environment	Level 5	18
Elective	7350	Structure a banking-related solution to meet a financial need involving foreign exchange	Level 5	20
Elective	7347	Structure a financial solution to meet a business banking need	Level 5	16
Elective	117764	Calculate and analyse investment performance	Level 6	20
Elective	12889	Demonstrate an understanding of the settlement processes applicable to the financial markets	Level 6	15
Elective	117770	Maintain system data in an asset management back-office environment	Level 6	25
Elective	117772	Manage and support systems used in asset management administration	Level 6	15
Elective	117760	Monitor, interpret and process all corporate events, and entitlements on holdings	Level 6	25
Elective	12895	Offer equitable deals to clients based on up-to-date	Level 6	15

	ID	UNIT STANDARD TITLE	OLD LEVEL	CREDITS
		knowledge of the structure, functioning and status of the relevant financial market		
Elective	12886	Operate within the ethical, professional and legal limits of the South African and international legislation and codes of practice regulating the financial markets	Level 6	20
Elective	12890	Operate within the rules and directives of the financial markets exchanges	Level 6	12
Elective	117767	Perform fund accounting for client portfolios	Level 6	20
Elective	117761	Update and verify security valuations to ensure accurate portfolio market values	Level 6	30
Elective	12892	Demonstrate an understanding of the use of micro- and macro-economic indicators as forecasting and planning tools within the financial markets	Level 7	18
Elective	12893	Identify and control risk within the financial markets	Level 7	15

ANNEXURE B

UNIT STANDARD COMPOSITION – NATIONAL DIPLOMA: FINANCIAL MARKETS

	ID	UNIT STANDARD TITLE	OLD LEVEL	CREDITS
Core	12884	Establish, build and maintain client relationships within the financial markets sector	Level 5	6
Core	12891	Apply concepts and principles of business ethics in the professional environment	Level 6	5
Core	12885	Apply concepts and principles relevant to the practical aspects of corporate governance and accountability	Level 6	10
Core	12887	Demonstrate an understanding of the functioning of the international financial markets within the South African context	Level 6	18
Core	12889	Demonstrate an understanding of the settlements processes applicable to the financial markets	Level 6	15
Core	12888	Offer investment advice to clients based on their needs	Level 6	15
Core	12886	Operate within the ethical, professional and legal limits of the South African and international legislation and codes of practice regulating the financial markets	Level 6	20
Core	12890	Operate within the rules and directives of the financial markets exchanges	Level 6	12
Core	12892	Demonstrate an understanding of the use of micro- and macro-economic indicators as forecasting and planning tools within the financial markets	Level 7	18
Core	12893	Identify and control risk within the financial markets	Level 7	15
Core	13022	Interpret causes and effects of economic events and take economic issues into account when furnishing clients with financial advice	Level 7	10
Fundamental	12881	Complete and submit reports within the financial markets sector as required by legislation and by company policy	Level 5	7
Fundamental	12998	Produce spreadsheets using accounting related information technology	Level 5	8
Fundamental	12883	Evaluate companies based on their financial statements	Level 6	15
Fundamental	12882	Perform mathematical and statistical calculations relevant to the financial markets	Level 6	15
Fundamental	13098	Use the computer as a business tool in an accounting environment	Level 6	8
Elective	12895	Offer equitable deals to clients based on up-to-date knowledge of the structure, functioning and status of the relevant financial market	Level 6	15
Elective	12894	Recommend and manage non-discretionary investment portfolios based on the client's needs and requirements	Level 6	18

	ID	UNIT STANDARD TITLE	OLD LEVEL	CREDITS
Elective	<u>12896</u>	Analyse and evaluate the financial markets	Level 7	15
Elective	<u>12897</u>	Implement and manage compliance with stockbroking regulations and standards	Level 7	18