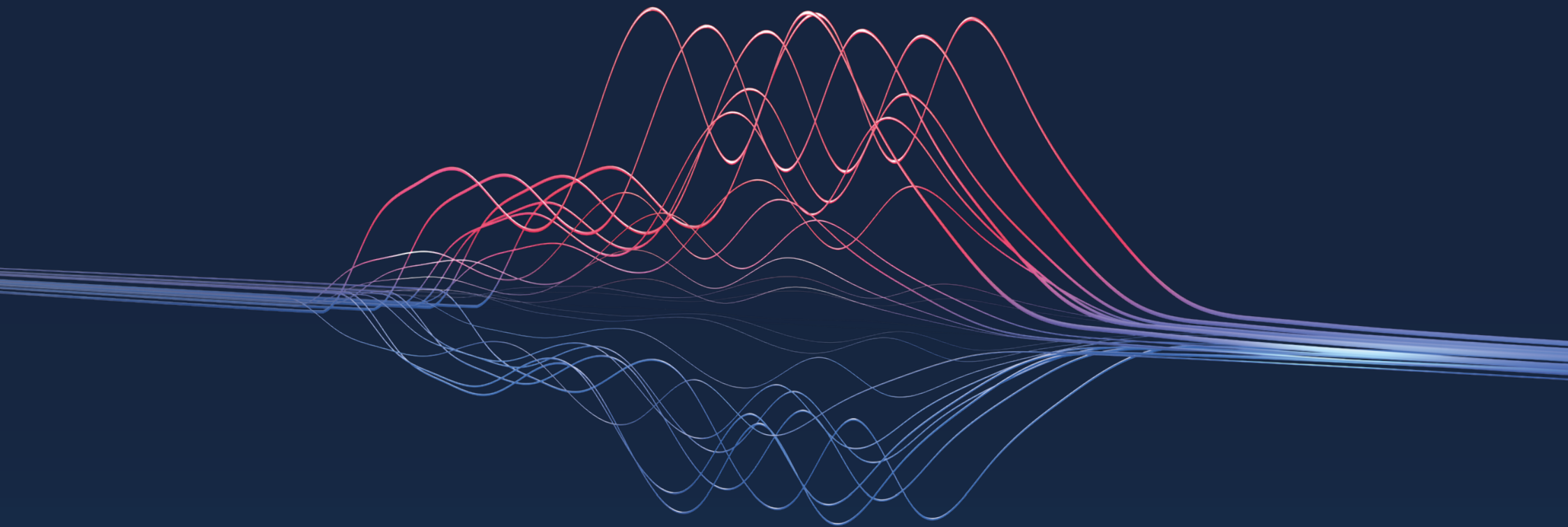







Horizon scanning – upcoming reforms for the insurance industry




THEME	NAME	COMMENCEMENT DATE	DATE FROM WHICH MUST COMPLY	AMENDED LEGISLATION	DESCRIPTION	KEY CONCEPTS/DEFINITIONS	IMPACT
Commission 	Treasury Laws Amendment (Ending Grandfathered Conflicted Remuneration) Act 2019 (In force)	1 January 2021	1 January 2021	<i>Corporations Act 2001</i> : Sections 9, 1528, 1529, 1530, 1531	Removes the grandfathering exemption for conflicted remuneration. This exemption allowed conflicted remuneration if the benefit was given under an arrangement entered into before 1 July 2013.	N/A	Life insurers that rely on the grandfathering exemption to pay or receive conflicted remuneration will need to review their arrangements to confirm whether another exemption is available or if the commission arrangements needs to be restructured. General insurers are currently exempt from the prohibition on conflicted remuneration.

THEME	NAME	COMMENCEMENT DATE	DATE FROM WHICH MUST COMPLY	AMENDED LEGISLATION	DESCRIPTION	KEY CONCEPTS/DEFINITIONS	IMPACT
<p>Avoidance of life insurance</p> 	<p>Financial Sector Reform (Hayne Royal Commission Response) Bill 2020 (Schedule 2, Part 1)</p> <p>(Bill before Parliament)</p>	1 January 2021	<p>1 January 2021</p> <p>The amendments apply to a contract of life insurance originally entered into after commencement.</p> <p>The amendments also apply to contracts which pre-date commencement that have been varied after 1 January 2021 to increase the sum insured or provide additional cover (where the variation was not automatic). The amendments apply to the contract to the extent of the variation.</p>	<i>Insurance Contracts Act 1984</i> : Section 29	Limits the circumstances in which an insurer can avoid a contract of life insurance because of a non-fraudulent misrepresentation or non-fraudulent failure to comply with the duty of disclosure by the insured to the insurer.	<p>A life insurer will only be able to avoid a life insurance contract for non-fraudulent failures or misrepresentations where:</p> <ul style="list-style-type: none"> the insurer would not have been prepared to enter into a contract of life insurance with the insured on any terms, if the duty of disclosure had been complied with or the misrepresentation had not been made; and the avoidance occurs within 3 years of when the contract was entered into. 	Life insurers will need to review their processes for avoiding life insurance contracts.

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<p>Restricted terms</p> 	<p>Financial Sector Reform (Hayne Commission Response) Bill 2020 (Schedule 6)</p> <p>(Bill before parliament)</p>	<p>1 January 2021 (or Royal Assent, whichever is later)</p>	<p>1 January 2021</p>	<p><i>Insurance Act 1973:</i> Sections 3, 8, 114</p>	<p>Makes it a strict liability offence for a business to describe a product or service that they offer as insurance, if the product or service is not insurance, in circumstances where it is likely that the product or service could mistakenly be believed to be insurance.</p> <p>Also makes it a strict liability offence for a business to describe itself as an insurer, in circumstances where the business could be mistakenly believed to offer insurance, and either the product is not insurance or the business is not registered or authorised under the appropriate legislation.</p>	<p>N/A</p>	<p>Minimal. Businesses need to take care that they are not misdescribing as insurance a product that is not actually insurance, or a business as an insurer where it does offer an insurance product or is not appropriately licensed.</p>


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 <p>Commission</p>	<p>Financial Sector Reform (Hayne Royal Commission Response) Bill 2020 (Schedule 4)</p> <p>(Bill before parliament)</p>	1 January 2021 (or Royal Assent, whichever is later)	1 January 2021 (cap only applies in relation to insurance (or insurance like) contracts entered into on or after this date)	<p><i>Australian Securities and Investments Commission Act 2001</i>: Part 2, Division 2</p> <p><i>National Consumer Credit Protection Act 2009</i>: Sections 145 and 204 of Sch 1</p>	Provides ASIC with the power to impose a cap on commission for add-on risk products (e.g. tyre and rim insurance, mechanical breakdown insurance, and consumer credit insurance) supplied in connection with the sale or long-term lease of a motor vehicle.	Add-on risk product is a financial product that is a facility through which, or through the acquisition of which, a person manages financial risk.	Insurers who distribute add-on products through car dealers will need to review their remuneration arrangements to ensure they meet any cap set by ASIC.
 <p>Unfair contract terms</p>	<p>Financial Sector Reform (Hayne Royal Commission Response – Protecting Consumers (2019 Measures)) Act 2020</p> <p>(In force)</p>	5 April 2021	5 April 2021	<p><i>Australian Securities and Investments Commission Act 2001</i>: Sections 12BA, 12BF, 12BI, 12GND, Part 28</p> <p><i>Insurance Contracts Act 1984</i>: Sections 12, 15</p>	Extends the UCT regime to apply to insurance contracts. The UCT laws regulate the terms and conditions of any ‘standard form contract’ that is a ‘consumer contract’ or a ‘small business contract’.	<p>A term is unfair where it:</p> <ul style="list-style-type: none"> causes significant imbalance in the parties’ contractual rights and obligations; is not reasonably necessary to protect the legitimate interests of the advantaged party; and would cause detriment (financial or otherwise) to a party if it were to be relied on. 	Will require review and amendment of existing and new products to ensure no terms of the contract are ‘unfair’ (or, alternatively, that such terms can be justified based on legitimate business interests).

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Codes of Practice 	General Insurance Code of Practice 2020 (Finalised)	1 July 2021 (except for family violence provisions, which took effect on 1 July 2020)	1 July 2021 (except for family violence provisions, which took effect on 1 July 2020)	Replaces the General Insurance Code of Practice 2014.	The new Code implements enhanced requirements for subscribers including around financial hardship, cash settlements, mandatory investigation standards, sanctions, etc.	N/A	Code subscribers will need to implement new processes to ensure Code compliance by both themselves and their representatives.


THEME	NAME	COMMENCEMENT DATE	DATE FROM WHICH MUST COMPLY	AMENDED LEGISLATION	DESCRIPTION	KEY CONCEPTS/DEFINITIONS	IMPACT
<p>Breach reporting</p> 	<p>Financial Sector Reform (Hayne Royal Commission Response) Bill 2020 (Schedules 10 and 11)</p> <p>(Bill before Parliament)</p>	1 October 2021	1 October 2021 (existing regime will continue to apply to breaches that occur prior to this date)	<p>Corporations Act 2001: Sections 601FC, 910A, 912A, 912D, 912DAA, 912DAB, 912DAC, 912DAD, 912EA, 912EB, 912EC, 1317E, 1671, 1671A, 1671B, 1671C, 1671D, 1671E, Sch 3</p> <p>National Consumer Credit Protection Act 2009: Sections 5, 47, 50A, 50B, 50C, 50D, 51A, 51B, 51C, 53C</p>	<p>Replaces existing breach reporting regime for AFS licensees and expands the situations that need to be reported to ASIC (and introduces an equivalent regime for credit licensees). The new regime includes an objective test for determining whether a breach is reportable, in addition to the current subjective test.</p> <p>Additionally, the new regime introduces a client notification obligation and, in certain circumstances, an obligation to notify ASIC of reportable situations in relation to other licensees.</p>	<p>There is a reportable situation if one of the following is satisfied:</p> <ul style="list-style-type: none"> the licensee, or a representative, has breached a core obligation and the breach is significant; the licensee, or a representative, is no longer able to comply with a core obligation and the breach, if it occurs, will be significant; the licensee, or a representative, conducts an investigation into whether there is a reportable situation of the kinds mentioned above and the investigation continues for more than 30 days; or the investigation (described above) discloses there is no reportable situation of the kinds mentioned at the first two points above. <p>Significance must be assessed against both an objective (e.g. the breach involves the commission of an offence attracting the required degree of incarceration, attracts a civil penalty or causes material loss or damage) and subjective (e.g. frequency of similar breaches, impact on ability to provide financial services, inadequate compliance systems) criterion.</p>	Licensees will need to reassess and update their breach identification and reporting procedures, including timing for making a notification to ASIC.


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					<p>It also introduces obligations around reference checking and information sharing in respect to individuals who provide personal advice to retail clients. ASIC will release a legislative instrument that sets out a protocol for this.</p>	<p>A core obligation is an obligation under sections 912A or 912B, other than section 912A(1)(c) which is only a core obligation for insurers if it relates to provision of the Corporations Act or ASIC Act referred to in section 761A(a), (b), (ba) and (c), or relates to Commonwealth legislation that is specified in regulations made for the purposes of section 761A(d).</p> <p>There is also a reportable situation if:</p> <ul style="list-style-type: none"> • in the course of providing a financial service, the licensee or a representative has engaged in conduct constituting gross negligence; • the licensee or a representative has committed serious fraud; • any other circumstances prescribed the regulations exist. <p>The timeframes start to run from the date the licensee first knows, or is reckless with respect to whether, there are reasonable grounds to believe a reportable situation has arisen.</p>	


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						<p>Knowledge (defined under the <i>Criminal Code Act 1995</i>) means awareness that a circumstance exists, or will exist, in the ordinary course of events.</p> <p>Recklessness (also defined under the <i>Criminal Code Act 1995</i>) means, with respect to either a circumstance or a result, that a person is:</p> <ul style="list-style-type: none"> • aware of a substantial risk that the circumstances exist or will exist, or that a result will occur; and • having regard to the circumstances unjustifiable to take that risk. 	

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Design and distribution 	Treasury Laws Amendment (Design and Distribution Obligations) (In force)	5 April 2019	5 October 2021 (for design and distribution) Product intervention powers already in effect	Corporations Act 2001: Sections 760A, 760B, 761A, 766B Part 7.8A, 760B, 764A, 765A, Part 7.9A, 1101K, 1317C, 1317E National Consumer Credit Protection Act 2009: Part 6-7A, 327, 337 ASIC Act: Sections 102, 136	Introduces design and distribution obligations in relation to financial products that requires insurers to prepare a target market determination and distributors to distribute in accordance with that determination.	Target market determination must: <ul style="list-style-type: none"> • be in writing; • describe the class of retail clients that comprises the target market (within the ordinary meaning of the term) for the product; • specify any conditions and restrictions on retail product distribution conduct in relation to the product (distribution conditions), other than a condition or restriction imposed by or under another provision of this Act; • specify events and circumstances (review triggers) that would reasonably suggest that the determination is no longer appropriate; • specify maximum review and reporting periods, in accordance with the Act; and 	Implementation will require review of all existing and new products and markets. New compliance systems and processes will also be necessary.


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						<ul style="list-style-type: none">specify the kinds of information needed to enable the person who made the target market determination to identify promptly whether a review trigger for the determination, or another event or circumstance that would reasonably suggest that the determination is no longer appropriate, has occurred and, for each kind of information, specify the regulated person required to report the information to the person who made the determination and the reporting period for reporting the information.	

THEME	NAME	COMMENCEMENT DATE	DATE FROM WHICH MUST COMPLY	AMENDED LEGISLATION	DESCRIPTION	KEY CONCEPTS/DEFINITIONS	IMPACT
Dispute resolution 	ASIC Regulatory Guide 271 and ASIC Corporations, Credit and Superannuation (Internal Dispute Resolution) Instrument 2020/98 (In force)	5 October 2021	5 October 2021	<i>Corporations Act 2001</i> : Sections 912A, 761G, 1017G <i>National Consumer Credit Protection Act 2009</i> : Section 47	Provides new guidance and implements updated requirements for how AFS licensees (and other financial firms) should deal with consumer and small business complaints under their internal dispute resolution (IDR) procedures. This includes amending the definition of 'small business' for IDR purposes and introducing new timeframes for providing an IDR response.	The maximum timeframe for providing an IDR response has been reduced from 45 days to 30 days. A small business , for IDR purposes, is a business that has less than 100 employees at the time of the act or omission that gives rise to the complaint, but not including a body corporate that, at that time, is a member of a group of related bodies corporate and that group has 100 employees or more.	Licensees (and other financial firms) will need to update their IDR processes and systems and train staff and representatives to handle and escalate complaints in accordance with the new IDR requirements.


THEME	NAME	COMMENCEMENT DATE	DATE FROM WHICH MUST COMPLY	AMENDED LEGISLATION	DESCRIPTION	KEY CONCEPTS/DEFINITIONS	IMPACT
Hawking (sale of insurance product) 	Financial Sector Reform (Hayne Royal Commission Response) Bill 2020 (Schedule 5) (Bill before Parliament)	5 October 2021 (or Royal Assent, whichever is later)	5 October 2021	Corporations Act 2001: Sections 9, 736, 738, 992A, 992AA, 1200F, Sch 3 Competition and Consumer Act 2010: Sections 95 and 187 of Sch 2	Implements a new general prohibition on offers to sell or issue financial products to retail clients which are made in the course of, or because of, unsolicited contact (this will replace current section 992A of the Corporations Act).	<p>Unsolicited contact is any contact which a consumer has not consented to and which is made by telephone, in face-to-face meetings or in any other real time interaction in the nature of a discussion or conversation.</p> <p>Contact is not unsolicited if the consumer has consented to being contacted for the purpose of making an offer or receiving an invitation to ask or apply for a financial product, or if the offer or invitation was reasonably within the scope of the consumer's consent to being contacted. The consumer's consent must be given before the start of the contact and given positively and voluntarily (that is, they must make a positive, voluntary and clear request to be contacted about the financial product). This consent must be clear so that a reasonable person would have understood that the consumer consented to the contact. The consent must also be given within 6 weeks before the contact occurs or an extended period not exceeding 12 weeks if the consumer agrees, to allow for a medical examination).</p>	Insurance products will not be able to be sold unless the contact is solicited. The current exemptions that allow unsolicited contact where it is made at certain times etc. have been removed.

THEME	NAME	COMMENCEMENT DATE	DATE FROM WHICH MUST COMPLY	AMENDED LEGISLATION	DESCRIPTION	KEY CONCEPTS/DEFINITIONS	IMPACT
Deferred sales model for add-on insurance 	Financial Sector Reform (Hayne Royal Commission Response) Bill 2020 (Schedule 3) (Bill before Parliament)	5 October 2021 (assuming this is when the anti-hawking reforms commence – the deferred sales model reforms will commence immediately after that)	5 October 2021	<i>Australian Securities and Investments Commission Act 2001</i> : Sections 12BA, Subdivision DA of Division 2 of Part 2, 12AE, 12GB, 12GBA, 12GBCN, 12GF, 12GI, 12GLA, 12GN, 12GXA, 12GXB, 244, 329, 992A	Implements an industry wide deferred sales model for the sale of add-on insurance products. The provider of a principal product or service (and any third party provider) cannot sell add-on insurance products until 4 clear days have passed since the later of when the customer entered into a commitment to acquire the principal product or service or when the customer is given the information prescribed by ASIC.	An add-on insurance product is a financial product that: <ul style="list-style-type: none"> is offered or sold to a consumer in connection with the consumer acquiring, or entering into a commitment to acquire, the principal product or service as a consumer; is offered or sold by the provider of the principal product or service of another person (in accordance with any arrangement they have with the principal provider); manages financial risk relating to the principal product or service; and either is a contract or insurance or provides for a consumer to benefit from a contract of insurance to which the provider of the financial product is a party. 	Providers of add-on insurance products (other than through the standalone market) will need to amend their sales model so that the products are not sold until after the end of the deferred sales period and any offers during or after the deferred sales period (but before the commencement of the anti-hawking regime) are made in writing (unless responding to a specific customer inquiry).


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					<p>Additionally, offers cannot be made other than in writing up until the date that is 6 weeks after the commencement of the deferral period except when responding to a customer inquiry (and, if the inquiry is before the end of the deferral period, the response must relate only to the purpose for which the customer initiated the contact).</p> <p>After the end of the 6 week period, the anti-hawking regime applies.</p> <p>Additionally, no contact can be made (either during the deferral period or afterwards) if the customer has indicated they do not wish to receive offers relating to the add-on insurance product.</p>		


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Duty of disclosure 	Financial Sector Reform (Hayne Royal Commission Response) Bill 2020 (Schedule 2, Part 2) (Bill before Parliament)	1 January 2021 (assuming this is when the avoidance of life insurance amendments commence – the duty not to make a misrepresentation reforms will commence immediately after that)	5 October 2021 for: <ul style="list-style-type: none"> • general insurance contracts entered into on or after that date. • life insurance contracts entered into on or after that date. • life insurance contracts entered to before that date, to the extent of any variation to those contracts on or after that date to increase the sum insured or add a cover where the variation is not automatic. 	Insurance Contracts Act 1984: Sections 11, 11AB, 12, 20A-C, 20E, 21A-B, 22, 23A, 27AA, 28, 29, 31, 31A, 32, 32A, 60	In respect to the newly defined consumer insurance contracts, replaces the existing duty of disclosure in the Insurance Contracts Act with a new duty for an insured to take reasonable care not to make a misrepresentation when entering into, varying, extending or renewing a consumer insurance contract. Whether or not an insured has taken reasonable care not to make a misrepresentation is to be determined with regard to all the relevant circumstances. The following circumstances may be taken into account (other circumstances may also be relevant): <ul style="list-style-type: none"> • the type of consumer insurance contract in question, and its target market. 	Consumer insurance contract is a contract of insurance obtained wholly or predominantly for the insured’s personal, domestic or household purposes. It also includes a contract of insurance for new business where, before the contract is entered into, the insurer gives the insured a written notice stating the contract is a consumer insurance contract. Consumer insurance contracts can include life insurance contracts.	Insurers will no longer be able to rely on the duty of disclosure in respect to consumer insurance contracts. Insurers will need to review questions asked at policy inception for any contract that might be a consumer insurance contract. New claims assessment processes relating to the assessment of actionable misrepresentation will need to be developed. Also, policy documentation for consumer insurance contracts that reference the current duty of disclosure will need to be amended.


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					<ul style="list-style-type: none">• explanatory material or publicity produced or authorised by the insurer.• how clear, and how specific, any questions asked by the insurer of the insured were.• how clearly the insurer communicated to the insured the importance of answering those questions and the possible consequences of failing to do so.• whether or not an agent was acting for the insured.• whether the contract was a new contract or was being renewed, extended, varied or reinstated.		


THEME	NAME	COMMENCEMENT DATE	DATE FROM WHICH MUST COMPLY	AMENDED LEGISLATION	DESCRIPTION	KEY CONCEPTS/DEFINITIONS	IMPACT
Claims handling 	Financial Sector Reform (Hayne Royal Commission Response) Bill 2020 (Schedule 7) (Bill before Parliament)	1 January 2021 (or Royal Assent, whichever is later)	After 31 December 2021 (but only if you lodge an application for AFSL authorisation by 30 June 2021, otherwise the new regime applies after 30 June 2021). The Bill allows for the Minister to make an instrument extending the 31 December 2021 date (but to no later than 1 July 2022)	<i>Corporations Act 2001</i> : Sections 9, 761A, 761CAA, 761DA, 766A, 766B, 766G, 910D, 911A, 911B, 912A, 916C, 940C, 941C, 948B-F, 951A, 952B, 952E-G, 952J, 952JA, 953A, 1317E, 1675, 1675A-C	Makes claims handling a 'financial service'. Also introduces an obligation on licensees (or their representatives), who make an offer to settle a general insurance claim for a retail client with a cash payment, to give the consumer a Cash Settlement Fact Sheet to ensure the consumer has sufficient information about the offer to make an informed decision about whether to accept it. Offence, penalty and liability provisions relating to failure to provide disclosure documents will be extended include a failure to provide consumers with a Cash Settlement Fact Sheet.	A person provides a claims handling and settling service if: <ul style="list-style-type: none"> the person makes a recommendation, or states an opinion, in the following circumstances: <ul style="list-style-type: none"> the recommendation, or statement of opinion, is made in response to an inquiry by or on behalf of another person about a potential claim by the other person under an insurance product; the recommendation, or statement of opinion, could reasonably be expected to influence a decision whether to make the claim; or the person assists another person to make a claim under an insurance product; or the person represents a person insured under an insurance product in pursuing a claim under the product; or the person assesses whether an insurer has a liability under an insurance product, or provides assistance in relation to such an assessment; or 	Licensing authorisations will be required to handle claims (unless an exemption applies) and persons who handle claims will be subject to obligations under financial services law such as to provide services honestly, fairly and efficiently.

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						<ul style="list-style-type: none">• the person makes a decision to accept or reject all or part of a claim under an insurance product; or• the person quantifies the extent of the insurer's liability to another person under an insurance product, or provides assistance in relation to the quantification of the extent of such a liability; or• the person offers to settle all or part of a claim under an insurance product; or• the person satisfies a liability of the insurer under an insurance product in full or partial settlement of a claim under the insurance product.	

THEME	NAME	COMMENCEMENT DATE	DATE FROM WHICH MUST COMPLY	AMENDED LEGISLATION	DESCRIPTION	KEY CONCEPTS/DEFINITIONS	IMPACT
Codes of Practice 	Financial Sector Reform (Hayne Royal Commission Response) Bill 2020 (Schedule 1) (Bill before Parliament)	1 January 2021 (or Royal Assent, whichever is later)	Unknown This will be the date ASIC designates relevant code provisions as ‘enforceable’ or establishes a mandatory code of conduct. The Banking Code of Conduct will be an approved code, but no enforceable provisions have yet been agreed and approved.	Corporations Act 2001: Sections 9, 1101A, 1101AA, 1101AB, 1101AC, 1101AD, 1101AE, 1010AF, 1317C, 1317DAN, 1317E, 1672 National Consumer Credit Protection Act 2009: Sections 5, 238A, 238B, 238C, 238D, 238E, 238F, 238G, 241, 288K, 327	Allows ASIC to designate enforceable code provisions in approving financial sector industry codes (with such provisions then becoming enforceable under statute and forming part of ‘financial services law’) subject to agreement with the applicant seeking approval of the code and Government to develop and establish mandatory codes of conduct.	N/A	This may lead to certain existing provisions in the Life Insurance Code of Practice, the Insurance in Superannuation Voluntary Code, the General Insurance Code of Practice and the Insurance Brokers Code of Conduct being made enforceable (the Royal Commission recommended this occur by 30 June 2021.)

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Disclosure 	Financial Sector Reform (Hayne Royal Commission Response – Protecting Consumers 2020 Measures) Bill 2020: FSRC Rec 2.2 (disclosure of lack of independence) (Draft only)	<i>Estimated:</i> 1 January 2021 This is an estimated date based on an indicated 6 month delay by Treasury of the reforms that were in draft at that time. This reform was not included in the tabled <i>Financial Sector Reform (Hayne Royal Commission Response) Bill 2020 (Cth)</i> and so its commencement date is currently unclear.	<i>Estimated:</i> 1 January 2021	Corporations Act 2001: Sections 923A, 941C, 941D, 942B, 942B, 673, 1673A	Requires a providing entity to give a written disclosure of lack of independence in the form prescribed by ASIC where they are authorised to provide personal advice to a retail client (and they are not ‘independent’, ‘impartial’ and ‘unbiased’ within the meaning of section 923A of the Corporations Act).	N/A	Advice licensees will need to review and update their disclosures.

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Disclosure 	Financial Sector Reform (Hayne Royal Commission Response – Protecting Consumers 2020 Measures)) Bill 2020: FSRC rec 2.1 (ongoing fee arrangements) (Draft only)	<i>Estimated:</i> 1 January 2021 This is an estimated date based on an indicated 6 month delay by Treasury of the reforms that were in draft at that time. This reform was not included in the tabled <i>Financial Sector Reform (Hayne Royal Commission Response) Bill 2020 (Cth)</i> and so its commencement date is currently unclear.	<i>Estimated:</i> 1 January 2021 (though certain transitional arrangements apply)	Corporations Act 2001: Sections 9, 960, 962CA, 962D, 962F, 962FA, 962G, 962H, 962J, 962K, 962L, 962R, 962S, 962T, 962U, 962V, 962W, 962X, 1317GB, 1317E, 1317QF, 1317S, 1672, 1672A, 1672B, 1672C, 1672D, 1672E, 1672F, 1672G, 1672H, 1672J, 1672K, 1672L, 1672M	Requires ongoing fee arrangements to be renewed annually and fee recipients to disclose in writing the total fees that will be charged and to set out the services that will be provided during the 12 month period.	N/A	Enhanced disclosure obligations related to ongoing fee arrangements.

THEME	NAME	COMMENCEMENT DATE	DATE FROM WHICH MUST COMPLY	AMENDED LEGISLATION	DESCRIPTION	KEY CONCEPTS/DEFINITIONS	IMPACT
Regulator powers 	Financial Sector Reform (Hayne Royal Commission Response – Stronger Regulators (2020 Measures)) Bill 2020: FSRC rec 7.2 (ASIC directions) (Draft only)	Unknown – the day after the Act receives the Royal Assent This reform was not included in the tabled Financial Sector Reform (<i>Hayne Royal Commission Response</i>) Bill 2020 (Cth) and so its commencement date is currently unclear.	Unknown – the day after the Act receives the Royal Assent	<i>Corporations Act 2001</i> : Division 7 Part 7.6 <i>National Consumer Credit Protection Act 2009</i> : Part 2-3A <i>Corporations Act 2001</i> : 1317E	Allow ASIC to give directions to AFS or credit licensees if it has reason to suspect that the licensee has, is or will engage in conduct that contravenes financial services law or credit legislation (as applicable).	Examples of the directions ASIC may make include: <ul style="list-style-type: none"> • to not authorise persons as authorised representatives of a licensee; • to not accept new clients; • to not transfer specified assets to another person; • to conduct a review or audit of activities or records of an authorised representative of the licensee; • to appoint, engage or deploy certain persons to carry out specified tasks; • to assess the extent of a contravention, identify persons who have suffered loss or damage as a result and establish and implement a specified program to compensate those persons; • to take specified steps ancillary to those mentioned above; and • any other conduct specified in the regulations. 	ASIC will have broader powers to direct licensees to take certain actions in response to contraventions, or possible contraventions, of financial services law.

Key contacts



Samantha O'Brien
Partner
+61 7 3246 4122
samantha.o'brien@dlapiper.com



Elly Brand
Solicitor
+61 7 3246 4256
elly.brand@dlapiper.com



Sophie Devitt
Partner
+61 7 3246 4058
sophie.devitt@dlapiper.com



Rebecca McMahon
Solicitor
+61 7 3246 4191
rebecca.mcmahon@dlapiper.com



Ann-Marie Coleman
Solicitor
+61 7 3246 4192
ann-marie.coleman@dlapiper.com



Alex Moore
Graduate
+61 7 3246 4159
alex.d.moore@dlapiper.com

