

Overview of Draft Corporations Amendment Regulations (March 2007)¹

Reference to Issue in Consultation Paper and New Proposed Regulation	Summary of Issue Set Out in Consultation Paper and List of Consultation Topics	Proposed Regulation (Based on Feedback on Consultation Paper and List of Consultation Topics)	Further Issues to Consider
1.1 Repetition of information in a Statement of Advice (SOA) [See proposal 1.15, which relates to incorporation by reference in disclosure documents, for details of the proposed amendment]	Whether the law should be changed so that information already given to a client in an SOA does not need to be repeated in a subsequent SOA for further advice provided to that client and, if so, whether any conditions should apply. (This change would be consistent with the current requirements for financial services guides (FSGs .)	See below in relation to proposal 1.15 (dealing with incorporation by reference in disclosure documents).	-

¹ This table contains references to the issues that were raised initially in the *Corporate and Financial Services Consultation Paper* (**Consultation Paper**) on 7 April 2006 and which were also subsequently included in **category A** of the list of 'consultation topics' (**List of Consultation Topics**), which was released by the Government on 14 August 2006. The List of Consultation Topics divided the issues from the Consultation Paper into three categories: category A – issues to be progressed by way of draft regulations for consultation; category B – issues to be included in a consultation paper for further consideration and, once settled, implemented through legislation (to be called the 'Simpler Regulatory System' Bill); and category C – issues to be progressed through focused projects for further separate consultation because of the scope and complexity of the policy issues they raise.

Some issues that had been included in the Consultation Paper were not included in the List of Consultation Topics because, based on feedback, the Government decided not to proceed with them. Similarly, some topics that were included in the Consultation Paper and in category A of the List of Consultation Topics have now not been included in the draft regulations. The commentary in this table notes where this has occurred and the Government's explanation for not progressing those topics.

Unless otherwise indicated, in this table, references to provisions of the Act and Regulations are references to provisions of the *Corporations Act 2001* (Cth) and the *Corporations Regulations 2001* (Cth).

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<p>1.3 Issue of disclosure documents when product or advice is rejected</p> <p>[Schedule 1, Items [16] and [26]]</p>	<p>Whether the law should state that if a client rejects a product and/or advice, a FSG and SOA do not have to be provided in respect of that product and/or advice.</p>	<p>Under the proposed regulations, an FSG and SOA do not have to be given to the client if:</p> <ul style="list-style-type: none"> the financial service/advice is only in relation to an offer to issue or sell a particular financial product; the clients tells the providing entity in the course of the contact during which the service/advice is provided that they do not intend to acquire the recommended financial product; and no issue or sale of the financial product results from the offer. <p>Note: The proposed amendments are consistent with the current exemption for PDSs under regulation 7.9.07E. However, that regulation also specifically states that the client must inform the provider 'explicitly' but may inform the provider 'orally or in any other way'. This is not stated in relation to the proposed regulations for FSGs and SOAs but should presumably apply to them also.</p>	<p>The Government wants feedback on whether the third limb should be revised (including in relation to the PDS exemption under regulation 7.9.07E) to specify that the exemption applies where no issue or sale results 'during the contact' in which the relevant offer to issue or sell is made.</p> <p>It is questionable what this suggested revision achieves; if the client rejects the offer (ie says it does not intend to acquire the recommended financial product) 'in the course of the contact', it is arguable that no issue or sale can in fact result from the offer so that the third limb is satisfied. On that basis, it is not clear that the inclusion of these words would add anything to the third limb.</p>
<p>1.4 Provision of an FSG by a third party custodian or administrator</p> <p>[Was part of the Consultation</p>	<p>Whether third party custodians, administrators of superannuation funds and managed investment schemes should be exempt from the FSG requirements and, if so, whether</p>	<p>In the commentary released by the Government with the draft regulations (Commentary), the Government notes that submissions received on this issue (in response to the Consultation Paper) did not give a clear indication of the</p>	<p>The Government is now seeking specific feedback on whether there is any need for reform in relation to this issue.</p>

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<p><i>Paper and the List of Consultation Topics but has not been included in the draft regulations]</i></p>	<p>any conditions should apply to the exemption.</p>	<p>reform required or the precise nature of the problem. In fact, some submissions argued that the current law covers the situation adequately (ie the actions of these third parties fall outside the definition of 'financial service', particularly in view of regulation 7.1.31(b) which arguably covers the activities that these entities usually perform – passing on, publishing, distributing or otherwise disseminating a document that contains financial product advice).</p>	
<p>1.5 Combining an FSG and prospectus. [Schedule 1, Items [24] and [23]]</p>	<p>Whether a provision should be made to allow an FSG to be combined with a disclosure document under Chapter 6D (similar to the provision that enables an FSG and product disclosure statement (PDS) to be combined).</p>	<p>Under the proposed regulations, an FSG can be combined with a Chapter 6D disclosure document (ie a prospectus, a short-form prospectus, a profile statement and an offer information statement) in a single document provided specific requirements, which are similar to those applying to a combined FSG and PDS as set out in regulation 7.7.08A, are met.</p> <p>Note: The draft regulations also require that the combined FSG and Chapter 6D disclosure document must be 'clear, concise and effective' and there is a proposed amendment to regulation 7.7.08A(4)(b) to require that a combined FSG and PDS must be 'clear, concise and effective'.</p>	<p>The Government is now seeking feedback on:</p> <ul style="list-style-type: none"> the number of entities that would rely on this proposed amendment and how often it would be used; and whether 'product issuer' is the appropriate term to describe entities that would be providing a combined FSG and prospectus or whether another term (eg offeror) would be more appropriate. <p>The Government seems to be implying that it will not pursue this</p>

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<p>1.6 Updating FSGs [Schedule 1, Items [29] and [35]]</p>	<p>Whether it is appropriate to remove the requirement to update an FSG where the change relates to information that is not materially adverse, provided there is disclosure on how the updated information can be accessed. (This is consistent with</p>	<p>Under the proposed regulations, a product issuer would not have to update its FSG or PDS (or produce a supplementary FSG/PDS) unless there is a 'materially adverse' change to the information contained in the FSG/PDS (which must have been up-to-date when it was prepared). However, the original FSG/PDS must contain a statement that:</p>	<p>amendment unless there is a sufficient number of entities who would rely on it on a sufficient number of occasions. There is no indication of why the Government has raised this, nor what levels of 'commitment' it requires.</p> <p>Also, presumably the Government will proceed with the proposed amendment to regulation 7.7.08A(4)(b) (regarding clear, concise and effective disclosure for combined FSG and PDS documents) even if there is insufficient support to justify implementing the proposal for a combined FSG and prospectus-type document.</p> <p>The Government wants further comments on the following issues:</p> <ul style="list-style-type: none"> whether product issuers should be required to keep information in a PDS (and presumably the FSG also, although this is not

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	<p>the ASIC class order relief provided for PDSs.)</p>	<ul style="list-style-type: none"> information in the FSG/PDS may be updated without the need to notify people to whom it has been provided if the updated information is not materially adverse; and a copy of the updated information can be requested from the FSG/PDS issuer for no charge. <p>Note: The Consultation Paper and the List of Consultation Topics did not include a proposed amending regulation relating to PDSs. However, the proposed regulation in relation to PDSs incorporates relief currently available for PDSs in ASIC class order CO 03/237 'Updated information in product disclosure statements' and the proposed relief for FSGs is drafted on a similar basis, subject to the conditions noted above.</p>	<p>specifically stated) for seven years (as is required under CO 03/237, although section 1101C(3) requires information to be kept only for five years); and</p> <ul style="list-style-type: none"> whether the 'materially adverse' concept used in the draft regulations is clear or whether other wording would be preferable (no alternatives are suggested).
<p>1.7 Standardised FSG. [Schedule 1, Items [21] and [22]]</p>	<p>Whether it is appropriate to allow for a standard FSG for community-owned branches of banking licensees and individuals that are sub-authorized by authorised representatives</p>	<p>To take account of the legal structure of some deposit-taking institutions (including many 'community banks' which adopt a franchise structure for their business operations), the proposed regulations provide an exemption from the requirement to provide individualised FSGs for each franchisee that is a corporate authorised representative or each employee of that franchisee who is an authorised representative, where:</p>	<p>The Government has not requested further feedback on this proposed amending regulation.</p>

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<p>1.9 Treatment of superannuation trustees</p> <p>[Schedule 1, Item [14]]</p>	<p>Whether it is appropriate to allow for aggregation of funds for wholesale test purposes where a superannuation fund trustee administers more than one fund.</p>	<ul style="list-style-type: none"> • the corporate authorised representative is the franchisee of a licensed franchisor and the franchisor is an authorised deposit-taking institution regulated by APRA; • the franchise agreement subjects the corporate/individual authorised representative to the franchisor's policies and requires compliance with the franchisor's policies relating to its obligations under its Australian financial services (AFS) licence; and • the standardised FSG produced by the franchisor explains that the franchisor takes responsibility for the services provided by the franchisee/individual authorised representative. <p>(The effect of the proposed amendment would be that individual employees who have been sub-authorised under the Act would also be bound by the requirements of the proposed regulation.)</p> <p>The proposed regulation allows for a trustee of multiple superannuation entities to be treated as a wholesale client when provided with a financial service (other than the provision of a financial product) in respect of a superannuation-related product. However, at least one of its</p>	<p>The Government has not requested further feedback on this proposed amending regulation.</p>

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	(This would enable more superannuation trustees to come within the wholesale test.)	<p>superannuation entities must have net assets of at least \$10 million.</p> <p>Note: The original proposal in the Consultation Paper and List of Consultation Topics suggested that in aggregate the funds had net assets of at least \$10 million. However, the Commentary notes that submissions received by the Government suggested that at least one of the funds must have net assets of \$10 million and the Government has now agreed with this approach.</p>	
<p>1.10 Treatment of employers [Schedule 1, Item [14]]</p>	<p>Whether employers operating businesses other than small businesses should be treated as wholesale clients where they are receiving financial services relating to superannuation products.</p>	<p>The proposed regulation allows an owner/operator of a business other than small businesses to be considered wholesale clients when provided with a financial service (other than the provision of a financial product) in respect of a superannuation-related product.</p>	<p>The Government is now seeking feedback as to whether this proposed amendment is likely to be effective in view of the requirements of sections 1016A(3) and 1012I which require, among other things, a PDS to be given to an entity proposing to become a standard employer-sponsor of a superannuation fund.</p>
<p>1.11 'Bundled' general insurance products [Schedule 1, Item [14]]</p>	<p>Whether it is appropriate to treat bundled general insurance products that are predominantly wholesale as totally wholesale and, if so, what conditions or protections should apply to ensure that genuinely retail clients</p>	<p>The proposed regulation allows a product provider to treat a client as a wholesale client in respect of bundled general insurance products if the bundled product predominantly provides insurance cover to a person as a wholesale client.</p> <p>The proposed regulation also provides ASIC with power to</p>	<p>The Government has not requested further feedback on this proposed amending regulation.</p>

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	are not prejudiced.	make a written determination (which would be published in the Gazette) that the relevant provision does not apply to a particular general insurance product (or class of general insurance products).	
<p>1.12 'Badging' of disclosure documents</p> <p>[Schedule 1, Items [10] and [11]]</p>	<p>Whether the issue of 'badging' needs to be clarified (ie to state specifically that it does not constitute the provision of a financial service and is therefore not an implied recommendation) and whether conditions should be applied to any exemption from 'badging' being considered the provision of financial product advice.</p>	<p>The proposed regulation clarifies that 'badging' of a document relating to a financial product does not constitute providing a financial service (by providing general advice) so long as any 'badging' of the document (eg modifying it by placing a logo or trademark on it) is not to such an extent that a reasonable person would consider the person who has 'badged' the document to have provided, endorsed or otherwise assumed responsibility for any financial product advice in the document. They must also not have exercised any form of control over the content of the document.</p>	<p>The Government has not requested further feedback on this proposed amending regulation.</p>
<p>1.13.1 Jurisdictional reach of AFS licence holders acting on behalf of others</p> <p>[Schedule 1, Item [15]]</p>	<p>Whether it is appropriate to extend the new licensing exemption (currently given to overseas services providers where they deal with an AFS licensee acting on its own behalf) to where an AFS licensee is acting on behalf of others and whether any conditions should apply to ensure that those on whose behalf the AFS licensee is acting are</p>	<p>The proposed regulation allows a foreign person to provide financial services to an AFS licensee without the foreign person having to be licensed if the AFS licensee is acting as a trustee or responsible entity and, in that capacity, satisfies the definition of a wholesale client in respect of the provision to them of the particular service.</p>	<p>The Government is now seeking feedback on whether it is necessary to impose the restriction that the trustee or responsible entity satisfy the definition of a wholesale client in respect of the provision to them of the relevant service. (Presumably this restriction is included for consistency with other similar provisions (eg licensing exemptions given to some</p>

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	adequately protected.		foreign financial services providers). Also, by limiting the application of the regulation in this way, there is no requirement to ensure that appropriate consumer protections are in place, which may be more difficult to ascertain and monitor in these situations.)
<p>1.13.2 Offshore branches</p> <p><i>[Was part of the Consultation Paper and the List of Consultation Topics but has not been included in the draft regulations]</i></p>	Whether the exemptions from licensing and disclosure applying to foreign financial services providers can be extended to offshore branches of AFS licensees.	<p>In the Commentary, the Government notes that legal advice obtained by Treasury suggests that so long as an offshore branch does not try to induce individuals located in Australia to acquire their financial services, they will not be affected by section 911D of the Act (which defines the jurisdictional scope of Chapter 7).</p> <p>Accordingly, the Government believes that no amendment is necessary to specifically exempt offshore branches in the circumstances envisaged in the earlier proposal.</p>	The Government is now seeking feedback on its revised view of this issue (ie is any amendment to the current law required?)
<p>1.14 Dollar disclosure for general insurance</p> <p><i>[Schedule 1, Items [30], [32] and Schedule 3]</i></p>	Whether specific dollar disclosure requirements should be prescribed for general insurance products.	In recognition of the difficulties that the insurance industry has experienced in trying to apply the current dollar disclosure requirements (introduced under the <i>Corporations Amendment Regulations 2005 (No 5)</i>), it is proposed to amend the requirements as follows in relation to PDSs for general insurance products.	The Government is seeking feedback on the costs and benefits of its proposal to extend the transitional period.

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		<p>If the dollar amount (in relation to information that is required to be stated in dollars in the PDS) can only be determined after the assessment of the risk of the insured or after the insured has nominated the required level of insurance cover, the relevant dollar disclosure requirements may be complied with by:</p> <ul style="list-style-type: none"> • stating the information as an amount in dollars in the PDS; or • giving the insured a document containing the information not later than five business days after the general insurance product is issued and including a statement in the PDS that sets out the information in at least one of the following formats: <ul style="list-style-type: none"> • a range of amounts in dollars; • as a percentage of a matter that is mentioned in the statement; or • a description. <p>The transition period for complying with the new requirements is proposed to be extended from 20 June 2007 until 30 June 2008. (This extension is intended to minimise the costs for insurers in needing to make a series of</p>	

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<p>1.15 Incorporation by reference in disclosure documents [Schedule 1, Items [25] and [31]]</p>	<p>The extent to which disclosure documents should be permitted to ‘incorporate information by reference’, including information provided in other documents required under the legislation and from other sources.</p>	<p>changes to their disclosure documentation (as a result of prior and these proposed amendments to the regulations).)</p> <p>The proposed regulations deal with SOAs and PDSs.</p> <p><i>SOAs</i></p> <p>Information could be incorporated by reference into an SOA if:</p> <ul style="list-style-type: none"> the information has previously been given to the client in writing (whether through an earlier SOA or other document); the current SOA identifies the previously provided document that contains the information and provides sufficient detail about the information to enable the client to decide whether to obtain a copy of the information; and the current SOA states that a copy of the information can be obtained on request for no charge. <p>The information incorporated by reference is deemed to be included in the SOA (which means that it must comply with relevant statutory requirements applying to information included in SOAs).</p> <p><i>PDSs</i></p> <p>The proposed regulations would allow the following to be</p>	<p>The Government now requires feedback on the following:</p> <p>In relation to the proposed changes to SOAs, whether:</p> <ul style="list-style-type: none"> there should be limitations on what type of information is allowed to be incorporated into an SOA (as the proposed regulation allows any information that has previously been provided in writing to the client); or the amendment should be limited to information that has already been provided or whether it should allow for incorporation by reference through a website. <p>(This proposal is looking to build on the measures introduced under the FSR refinements regulations.)</p>

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		<p>incorporated by reference into a PDS:</p> <ul style="list-style-type: none"> information about any other significant characteristics or features of the product or the rights, terms, conditions and obligations attaching to the product; and any other information that might materially influence a decision to acquire the product. <p>Such information could be incorporated by reference only if:</p> <ul style="list-style-type: none"> the information is publicly available on a website or in another document; the PDS refers to the information, identifies the document or website address that contains the information and provides sufficient detail about the information to enable the client to decide whether to obtain a copy of the information; and states that a copy of the information can be obtained on request for no charge. <p>The information incorporated by reference is deemed to be included in the PDS (which means that it must comply with relevant statutory requirements applying to information included in PDSs).</p>	<p>In relation to the proposed changes to PDSs, whether:</p> <ul style="list-style-type: none"> the proposed regulation should be revised to allow a broader range of information to be incorporated by reference; the proposed regulation should limit the websites from which information may be incorporated to those operated by the particular product issuer; and there should be a specific requirement that the reference to the incorporated information in the PDS be included in <i>one</i> statement and at an appropriate point in the PDS. (As presently drafted, there is no requirement that this information be disclosed in a single statement in the PDS or at least in one clearly identifiable section.)

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<p>1.16 Exemption from FSR retail client obligations for secondary service providers (SSPs)</p> <p>[Schedule 1, Items [8] and [9]]</p>	<p>Whether SSPs should be relieved from their obligations (not just the FSG obligations) to retail clients in some situations (eg where the intermediary (who is a licensee or authorised representative) accepts responsibility to the retail client for the financial services provided by the intermediary and the SSP). Also, whether relief should be given to the intermediary in the converse situation (ie where the SSP accepts responsibility for the services provided by the intermediary).</p>	<p>The proposed amendments extend the current law so that an SSP who provides a (secondary) service to a retail client through an intermediary who is an AFS licensee or an authorised representative of an AFS licensee will not be providing a financial service if the intermediary:</p> <ul style="list-style-type: none"> • is authorised to provide the service; and • 'accepts' responsibility for meeting any obligations owed to the retail client in relation to that service (either by advising the SSP in writing or by providing the secondary service to the retail client contrary to an explicit direction from the SSP). <p>The intermediary must also inform the retail client in writing that the intermediary has accepted responsibility for meeting obligations in respect of the financial service.</p> <p>Note: the Commentary notes that it will be up to SSPs and intermediaries to negotiate as to whether, or to what extent, an intermediary will accept responsibility to the retail client. This seems slightly at odds with the wording in the proposed regulation, which refers to the intermediary accepting responsibility for meeting 'any' obligations owed to the retail client in relation to the secondary service.</p> <p>Also, while the Consultation Paper canvassed whether relief</p>	<p>The Government is interested in receiving more information about the costs and benefits associated with the proposed regulations (principally for intermediaries). (Refer to the Government's Commentary for specific details of what information is sought.) It is also interested to know how many intermediaries might take up this arrangement.</p>

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<p>1.20 Oral disclosure</p> <p>[Schedule 1, Items [17], [18], [19], [20], [27] and [28]]</p>	<p>Whether it is appropriate to reduce the oral disclosure requirements that apply to FSGs and SOAs, for products with a cooling-off period.</p>	<p>should be given to the intermediary in the converse situation (ie where the SSP accepts responsibility for the services provided by the intermediary), this is not dealt with by the proposed regulations.</p> <p>The proposed amendments, which relate to the timing for providing an FSG/SOA so that when a financial service/financial advice is provided, an FSG/SOA can be provided to the client without the need for oral disclosure if:</p> <ul style="list-style-type: none"> the relevant financial service is the provision of a financial product and/or advice relating to that financial product; a PDS for the product has been given to the client no later than when the FSG/SOA is provided; and the entitlement to any remuneration (including commissions) or other benefits in relation to the service no longer applies if the client exercises the cooling-off rights attaching to the product. <p>(In other time-critical circumstances where an FSG or SOA is required but may be given later, the current statutory requirements for oral disclosure would apply.)</p> <p>Note: There seems to be some inconsistency about the timing requirements for providing different disclosure</p>	<p>The Government now requires feedback on:</p> <ul style="list-style-type: none"> whether the amending regulations should be subject to the modifications in regulation 7.9.15H, as is proposed, particularly in relation to time critical disclosure and FSGs (and, indeed, it is unclear why this should be the case); costs and benefits that the proposed amendments to reduce the oral disclosure requirements might have for consumers; and whether there are any other circumstances in which the oral disclosure requirements could be waived without undermining

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<p>1.21 Sickness and accident insurance and life risk insurance</p> <p>[Schedule 1, Items [5] , [6] and [7]]</p>	<p>Whether amendments to the legislation are warranted to clarify that a provider of sickness and accident insurance can treat a client as wholesale where cover is for the liability of the employer for the benefit of an employee.</p>	<p>documents. The proposed amending regulations state five days (although regulation 7.7.10AH has previously been amended to make the current requirement five business days in relation to SOAs). Regulation 7.9.15H, which relates to the timing of providing a PDS and to which the proposed amending regulations are expressed to be subject, also refers to five business days. It is unclear whether the different timing is intentional.</p> <p>The proposed amendments ensure that:</p> <ul style="list-style-type: none"> • a sickness and accident insurance policy (which would otherwise be defined as a general insurance product and, therefore, mean that the acquirer was treated as a retail client triggering applicable disclosure requirements) does not include sickness and accident policies; and • a life risk insurance product does not include life risk insurance products, <p>that are entered into by an employer in conjunction with workers' compensation insurance.</p>	<p>consumer protections.</p> <p>The Government has not requested further feedback on this proposed amending regulation.</p>
<p>Miscellaneous – Licensing of actuaries</p> <p>[Schedule 1, Items [1] and [12]]</p>	<p>These proposed changes were not included in the Consultation Paper or the List of Consultation Topics.</p>	<p>The proposed regulation provides limited relief from the AFS licensing requirements for actuaries (defined as Fellows or Accredited Members of the Institute of Actuaries of Australia (<i>IAA</i>)). The licensing exemption applies if the financial</p>	<p>The Government wants feedback on whether the proposed definition of 'actuary' is appropriate or whether there should be a broader definition</p>

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<p>Miscellaneous – Enhanced fee disclosure and investment life insurance products</p> <p>[Schedule 2 Schedule 1, Item [33]]</p>	<p>These proposed changes were not included in the Consultation Paper or the List of Consultation Topics.</p>	<p>product advice is:</p> <ul style="list-style-type: none"> provided by an actuary (as defined) in the ordinary course of providing actuarial services; could not reasonably be expected to be included in a document given to a retail client; and provided to a wholesale client, Commonwealth, State or territory or an exempt public authority. <p>Note: The proposed regulation gives legislative effect (with some modifications) to relief currently available to actuaries under ASIC class order 03/1096 (as amended), which is due to expire on 30 June 2007.</p> <p>The proposed regulations:</p> <ul style="list-style-type: none"> extend the enhanced fee disclosure obligations in Division 4C of Part 7.9 (which were introduced under the <i>Corporations Amendment Regulations 2005 (No 1)</i>) to investment life insurance products; omit regulation 7.9.16J(a)(iv), which exempts 'non-investment or accumulation life insurance policies that are offered through a superannuation fund' from inclusion in 'superannuation products' to which Division 4C otherwise applies. As noted in the Commentary, by 	<p>set out in regulation 1.0.02(1). (It will be interesting to see how actuaries respond to this, particularly any who are not professionally associated with the IAA and who were previously covered by the class order relief.)</p> <p>The Government is seeking feedback on whether the proposed transition period of six months is appropriate.</p> <p>The Government is also interested in receiving information on various costs associated with preparing and producing PDSs that include information required to comply with the enhanced fee disclosure requirements to help the Government assess the costs and benefits of</p>

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		<p>definition, life insurance policies would not fall within the definition of 'superannuation product' and therefore this regulation is not relevant.</p> <p>Note: The Government previously indicated that it intended to extend the enhanced fee disclosure requirements to investment life insurance policies by 1 July 2006. However, due to other priorities, the Government has not sought to amend the regulations until now and the proposed amendment is intended to come into effect six months after these amending regulations are registered in the Federal Register of Legislative Instruments.</p>	<p>these proposed amendments. (Refer to the Commentary for specific details of what information is sought.)</p>
<p>Miscellaneous – Australian Standard on complaints handling [Schedule 1, Items [13] and [34]]</p>	<p>These proposed changes were not included in the Consultation Paper or the List of Consultation Topics.</p>	<p>The proposed amendments substitute details of the most recent standard on complaints handling, 'Customer satisfaction – Guidelines for complaints handling in organisations' (published on 5 April 2006) in affected regulations to ensure the regulations are up-to-date.</p>	<p>The Government has not requested further feedback on this proposed amending regulation.</p>
<p>Miscellaneous – Share and member reporting [Schedule 1, Items [2], [3] and [4]]</p>	<p>Having been raised as an issue in the Consultation Paper and then listed in category B of the List of Consultation Topics, this issue became part of the 'Corporate and Financial Services Regulation Review Proposals Paper' (released on 16 November 2006) (<i>Proposals Paper</i>), which identified</p>	<p>The proposed amending regulations remove the obligation on public companies to notify ASIC each year of the top 20 shareholders in each class (under applicable paragraphs in regulation 2N.2.01(1)).</p> <p>Note: the Commentary states that the proposed amending regulations remove a similar obligation currently imposed on registered schemes (under applicable paragraphs in</p>	<p>The Government has not requested further feedback on this proposed amending regulation.</p>

Reference to Issue in Consultation Paper and New Proposed Regulation	Summary of Issue Set Out in Consultation Paper and List of Consultation Topics	Proposed Regulation (Based on Feedback on Consultation Paper and List of Consultation Topics)	Further Issues to Consider
<p>Correction of legislative errors and anomalies</p> <p>[Schedule 4, Items [1] to [13]]</p>	<p>issues that the Government intended to include in the proposed Simpler Regulatory System Bill.</p> <p>However, as noted in the Commentary, this proposal is a change to the regulations (not the Act) and, therefore, the Government decided it should be included as part of this package of reforms.</p> <p>These proposed changes, which are minor in nature and intended to correct errors or amend anomalies that have generally arisen as a result of previous amendments, were not included in the Consultation Paper or the List of Consultation Topics.</p>	<p>regulation 2N.2.01(2)). However, there is no proposed regulation to deal with this. (Nor was a possible amendment raised in the Proposals Paper.)</p> <p>The regulations propose:</p> <ul style="list-style-type: none"> omitting the 'note' under the definition of 'risk-based financial product' in regulation 1.0.02(1) (which notes that for the purposes of sections 761G(5) and (7), general insurance products are not risk-based financial products), as it is no longer applicable. omitting regulation 2C.1.01, which currently defines 'prescribed financial market' for the purposes of section 170(3) because that section does not include the phrase 'prescribed financial market'. omitting regulation 7.1.06B, which provides that an exempt public sector superannuation scheme is not a financial product (for the purposes of section 	<p>The Government has not raised any issues for consideration in relation to these amendments, which are necessary to correct errors and anomalies in the Act and regulations as they currently stand.</p>

Reference to Issue in Consultation Paper and New Proposed Regulation	Summary of Issue Set Out in Consultation Paper and List of Consultation Topics	Proposed Regulation (Based on Feedback on Consultation Paper and List of Consultation Topics)	Further Issues to Consider
		<p>765A(1)(q)) because regulation 7.1.05 already provides for this.</p> <ul style="list-style-type: none"> correcting an error in regulation 7.7.12(4), which relates to ASIC determinations made for the purposes of the dollar disclosure requirements in SOAs, so that the correct subregulations are noted. changing references to 'statement' in regulation 7.9.02B, which relates to PDSs in electronic form, to 'Statement'. changing the heading of subdivision 2.4 (of Part 7.9) to 'Additional obligations relating to application forms' (from 'Additional obligations for eligible rollover funds') to make it relevant to the regulations within that subdivision. omitting regulation 7.9.13A, which relates to correcting deficiencies in PDSs and supplementary PDSs, because subsequent amendments to section 1016E(2) mean that the regulation is no longer required. changing references to 'investment-linked insurance product within the meaning of the Insurance Contracts Act 1984' in regulations 7.9.67(2) and (3), which relate to variation of the amount to be repaid when a financial 	

Reference to Issue in Consultation Paper and New Proposed Regulation	Summary of Issue Set Out in Consultation Paper and List of Consultation Topics	Proposed Regulation (Based on Feedback on Consultation Paper and List of Consultation Topics)	Further Issues to Consider
		<p>product is returned under a cooling-off period, with 'investment life insurance product' to make the terminology consistent with other regulations (and also because 'investment-linked insurance product' is not defined under that legislation).</p> <ul style="list-style-type: none"> • omitting the legislative note to regulation 7.11.26(2), which relates to financial product transfers under the ASTC rules, because the regulation mentioned in the note has now been repealed. • omitting regulation 7.11.43(5), which is part of a group of regulations dealing with civil liability for a breach of the ASTC certificate cancellation provisions, as it refers to section 1310B, which has now been repealed. • correcting an apparent typographical error made in previous amending regulations so that the provisions currently contained in schedule 10BA, dealing with modifications of the Act relating to short-form PDSs, are now included as schedule 10B. <p>Note: presumably, the current schedule 10BA should now be repealed, although this does not appear to be specifically covered in the draft regulations.</p>	