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## Annexure

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Below is a list of the issues covered under each broad category, as outlined in the consultation paper.

### Financial services regulation

Topic	Consultation Issue
Statements of advice ( <b>SOA</b> )	
<ul style="list-style-type: none"><li>• Repetition of information in a SOA</li></ul>	Whether the law should be changed so that information already given to a client in a 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 ( <b>FSG</b> ).
<ul style="list-style-type: none"><li>• Situations where a SOA does not have to be prepared</li></ul>	Whether it is appropriate that where personal advice is given, but no financial product is recommended and no remuneration is received for the advice, a SOA will not need to be prepared. (This would reduce costs for service providers and reduce the amount of paperwork for consumers.)
<ul style="list-style-type: none"><li>• Threshold requirements for SOAs</li></ul>	Whether it is appropriate to exempt the SOA requirements for minor advice that falls below a specified threshold and what an appropriate threshold might be.
FSGs	
<ul style="list-style-type: none"><li>• Issue of disclosure documents when product/advice is rejected</li></ul>	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.
<ul style="list-style-type: none"><li>• Provision of a FSG by a third-party custodian or administrator</li></ul>	Whether third-party custodians, administrators of a superannuation fund and managed investment schemes should be exempt from the FSG requirements and, if so, whether any conditions should apply to the exemption.
<ul style="list-style-type: none"><li>• Combining a FSG and prospectus</li></ul>	Whether a provision should be made to allow a FSG to be combined with a disclosure document under Chapter 6D (similar to the provision which enables a FSG and Product Disclosure Statement ( <b>PDS</b> ) to be combined).
<ul style="list-style-type: none"><li>• Updating FSGs</li></ul>	Whether it is appropriate to remove the requirement to update a 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 proposed change is consistent with the class order relief currently provided for PDSs.)
<ul style="list-style-type: none"><li>• Standardised FSGs</li></ul>	Whether it is appropriate to allow for a standard FSG for community-owned branches of banking licensees and individuals that are sub-authorised by authorised representatives
<ul style="list-style-type: none"><li>• Exemption from the requirement to provide a FSGs</li></ul>	Whether the definition of 'public forum' should be broadened to include such forums as employee educational seminars (which would make the exemption from the need to provide a FSG more widely available, subject to any

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	necessary conditions).
Incorporation by reference in disclosure documents	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. (This proposal is looking to build on the measures introduced under the FSR refinements regulations.)
Small business test	Whether the small business test should be amended to include asset and/or turnover criteria, and what would be appropriate thresholds if those criteria were applied.
Treatment of superannuation trustees	Whether it is appropriate to allow for aggregation of funds for wholesale test purposes where a superannuation fund trustee administers more than one fund. (This would enable more superannuation trustees to come within the wholesale test.)
Treatment of employers	Whether employers operating businesses other than small businesses should be treated as wholesale clients where they are receiving financial services relating to superannuation products.
'Bundled' general insurance products	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 genuine retail clients are not prejudiced.
'Badging' of disclosure documents	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.
Jurisdictional reach	
Australian financial services ( <b>AFS</b> ) licensee holders acting on behalf of others	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 adequately protected.
Offshore branches	Whether the exemptions from licensing and disclosure applying to foreign financial services providers can be extended to offshore branches of AFS licensees.
Dollar disclosure for general insurance	Whether specific dollar disclosure requirements should be prescribed for general insurance products.
Exemption from FSR retail client obligations for secondary service providers ( <b>SSPs</b> )	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

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	situation (ie where the SSP accepts responsibility for the services provided by the intermediary).
Changes to the scope of general advice	What are the appropriate boundaries for, and between, general and personal advice. (This proposal follows on the FSR refinements regulations and ASIC guidance, which narrowed the scope of general advice in some situations.)
Oral disclosure	Whether it is appropriate to reduce the oral disclosure requirements that apply to FSGs and SOAs for products with a cooling-off period.
Sickness and accident insurance	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.
Sophisticated investors	Whether retail investors should be allowed to obtain accreditation that enables them to be treated as wholesale investors in relation to dealing in financial products traded on markets.
Authorised representatives (insurance agents)	Whether the scope of the cross-endorsement requirements of the legislation should be refined to take more account of the different classes of financial services that authorised representatives may provide on behalf of their authorising licensees (ie so that insurance companies would only be jointly and severally liable with another insurance company for the actions of an insurance agent where that agent provides financial services in relation to the same class of insurance product).
Group licensing under FSR	Why the group licensing option has not been taken up in a significant way and what could be done to facilitate such licensing.
Overlap of requirements in the Corporations Act and ASX Market Rules	Whether and how the ASX could rationalise the overlapping requirements in the <i>Corporations Act 2001</i> and the ASX Market Rules relating to client order priority, confirmation of trades, managed discretionary accounts, principal trading, staff trading, trading records and trust accounts.
PS 146 – training requirements	Whether the training requirements in ASIC's Policy Statement 146 (which sets out training and competency requirements for authorised representatives and employees of financial services licensees) should be more flexible to recognise the different skills and competencies required for advisers in different business areas.
Register of sanctioned financial service providers	Whether ASIC should establish a public register with details of financial services providers who have previously been sanctioned for misconduct by ASIC and where the register should be made available.

## Company reporting obligations

<b>Topic</b>	<b>Consultation Issue</b>
Concise reporting requirements	Whether there should be concise 'shareholder friendly' reports, eg by separating the remuneration report from the directors' report and requiring the remuneration report to be a stand-alone report that would only include 'summary' (details to be considered) remuneration information, and whether the concise report should only contain 'summary' (details to be considered)

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	information from the directors' report.
Executive remuneration – disclosure requirements	How to harmonise the <i>Corporations Act/Regulations</i> and AASB directors and executives remuneration disclosure requirements (including by removing duplication) without any dilution of disclosure.
CEO/CFO sign-off	Whether the CEO/CFO obligation in the ASX Corporate Governance Guidelines to make declarations to the board of directors regarding the status of the company's financial reports can be removed and replaced with a cross-reference to the similar requirement in the <i>Corporations Act</i> .
Thresholds for financial reporting of large proprietary companies	Whether the revenue and asset thresholds for financial reporting by large proprietary companies should be increased (so that fewer companies will be required to prepare annual financial and directors' reports).
Removal of duplication in notifications	
Change in officeholders	Whether the requirement for a company to notify ASIC of a change in officeholder, where the officeholder has already notified ASIC, should be removed.
Maintenance of registered office address	Whether a single process for notification of an update of a company's service address and registered office (via the information provided by the agent to ASIC) should be adopted.
Share and member reporting requirements	Whether the requirement for public companies to notify ASIC of the top 20 members in each class of shares as part of the annual review process should be removed, given the same information is publicly available in the members' register.
Removal of annual review fees for companies approved for voluntary deregistration	Whether companies that have applied for voluntary deregistration (and had this approved by ASIC) should still be required to pay the annual review fee.
Parent entity financial statements	Whether summary financial information only (details to be considered) should be required in relation to a parent entity whose operations are consolidated in the financial statements of a corporate group.

## Auditor independence

Topic	Consultation Issue
Anomalies arising from CLERP 9	<p>Whether changes to the auditor independence requirements to correct some unintended consequences and anomalies that have arisen as a result of CLERP 9 should be implemented through regulation or amended in the <i>Corporations Act</i> itself. Of particular concern are the following current prohibitions set out in the <i>Corporations Act</i>:</p> <ul style="list-style-type: none"> <li>• an auditor owing more than \$5000 to an audit client</li> <li>• a client owing amounts under a loan to its audit firm.</li> </ul>

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## Corporate governance

Topic	Consultation Issue
Related party transactions	
Amounts that can be paid to related parties without member approval	Whether the law should be amended to allow a financial benefit below a prescribed level (eg \$5000) to be provided to related parties without member approval, which would avoid the need for member approval for 'minor' transactions.
Amounts given to director or spouse without member approval	Whether the threshold level above which member approval would be required should be increased to a fixed level or to some quantifiable level (eg in relation to asset levels or cash flow).
Remove directors' duties for single-director companies	Whether members of single-director companies can, by resolution, agree that some of the directors' duties provisions under the <i>Corporations Act</i> will not apply. (Note, it is not intended that this would impact on the application of contract, tort and criminal laws that assist in regulating the conduct of all company directors.)
Extend the 'Business Judgment Rule'	Whether there should be a general protection for directors, excusing them from liability under the <i>Corporations Act</i> , subject to conditions (eg they have acted in good faith, within the scope of, and reasonably and incidentally to, the company's business, and for the company's benefit).
Greater flexibility for company meetings	Whether some of the detailed provisions about the conduct of company meetings could be designated replaceable rules (eg requirements relating to notice of meetings, place, technology, proxy appointments).

## Fundraising

Topic	Consultation Issue
Remove the obligation to produce a prospectus for rights issues of quoted securities	Whether the requirement to issue a prospectus for rights issues of quoted securities should be removed, given that timing of such issues is critical and they are directed at existing shareholders who may be presumed to be sufficiently well informed about the issues that would be covered in the prospectus anyway.
Review of the fundraising provisions to facilitate certain types of fundraisings	Whether changes to the fundraising provisions of the <i>Corporations Act</i> are needed to facilitate small-scale securities offerings.
Review secondary sale disclosure rules	Whether the secondary sale disclosure requirements relating to circumstances where securities are offered for sale within 12 months of their issue are working appropriately.
Employee Share Ownership Plans	Whether the disclosure requirements should be eased for unlisted companies issuing shares to employees.
Prospectus advertising and publicity	How to achieve greater alignment between the advertising and publicity requirements of the PDS and prospectus disclosure regimes.

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## Takeovers

Topic	Consultation Issue
Telephone monitoring during takeover bids	Whether the <i>Corporations Act</i> telephone monitoring requirements during takeover bids are still necessary. (The Government is querying whether they have increased consumer protection sufficiently to justify the costs they impose on those required to implement them.)

## Collective investments

Topic	Consultation Issue
Product rationalisation	Whether a simplified mechanism to allow financial product issuers (specifically of superannuation, managed investments and life insurance investment products) to be able to restructure and rationalise outdated products should be introduced. (Often these products are supported by obsolete technology that is inaccurate. This can result in pricing errors and higher management costs for consumers, which increases operational risks in the market.)
Investor Directed Portfolio Services ( <i>IDPSs</i> )	Whether the ASIC class orders that currently create a special regulatory regime for IDPS products (which sits outside the <i>Corporations Act</i> framework) should be removed and these products dealt with as a financial service under the existing provisions of Chapter 7 of the <i>Corporations Act</i> .

## Dealing with regulators

Topic	Consultation Issue
'Up front' payment option for ASIC annual fees	Whether companies should be able to elect to make a (discounted) lump sum payment for annual statement fees for an extended fixed period (eg 10 years)
ASIC/APRA information exchange	Review of the nature and extent of duplicated information currently required under the ASIC and Australian Prudential Regulation Authority ( <i>APRA</i> ) licensing regimes and what is the most efficient way for businesses to provide information to ASIC and APRA collectively.
Enhancing communication with ASIC	What are the most appropriate mechanisms to enhance communication between business, consumers and ASIC.
Breach reporting requirements	What is the most appropriate way to address inconsistencies between the breach reporting obligations to ASIC and APRA.
PDS in-use notices	What is the most appropriate active product monitoring mechanism for ASIC to replace the in-use notice system (so that ASIC can monitor easily when a PDS is out-of-date and when a product has been withdrawn from the market).