

Licensing exemption for fintech testing

ASIC has a fintech licensing exemption, to facilitate the testing of new fintech services.

Check whether you meet the general conditions that apply, and that the service and product you plan to test are eligible.



GENERAL CONDITIONS

You must:

- ◆ Have no more than 100 retail clients (unlimited wholesale clients)
- ◆ Plan to test for no more than 12 months
- ◆ Have total customer exposure of no more than \$5 million
- ◆ Have adequate compensation arrangements (such as professional indemnity insurance)
- ◆ Have dispute resolution processes in place
- ◆ Meet disclosure and conduct requirements



WHAT SERVICE DO YOU WANT TO TEST?

✓ Eligible

- ◆ Providing advice
- ◆ Dealing in or distributing products

⊘ Not eligible

- ◆ Issuing my own product
- ◆ Lending money to consumers
- ◆ Operating my own managed investment scheme (e.g. a marketplace lending platform)



ELIGIBLE?

Next steps

Read Regulatory Guide 257 for more detail on exemption conditions and on notifying ASIC that you will rely on the licensing exemption for fintech testing



WHAT PRODUCTS WILL YOU BE ADVISING ON OR DISTRIBUTING?

✓ Eligible

- ◆ Deposit products, with a maximum \$10,000 balance
- ◆ Payment products, if ADI-issued and with a maximum \$10,000 balance
- ◆ General insurance, for personal property and home contents and with a maximum of \$50,000 insured
- ◆ Liquid investments, for listed Australian securities or simple schemes and with a maximum \$10,000 exposure
- ◆ Consumer credit contracts with certain features, and a loan size of between \$2,001 and \$25,000

⊘ Not eligible

- ◆ Other products



NOT ELIGIBLE?

Other options

- ◆ Rely on another exemption to test the service and product
- ◆ Request an individual waiver from ASIC
- ◆ Act on behalf of a licensee
- ◆ Apply for a licence from ASIC

Next steps

Read Regulatory Guide 257 for guidance on these options