

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates, 16 February 2006

Question: AT 39

Topic: *National online super advertising campaign*

Hansard Page: E47

Senator SHERRY asked:

Did you investigate the online super advertising campaign which was run across the country in a number of metropolitan areas?

Mr Lucy—I would have to take that on notice.

Answer:

In 2003, ASIC investigated the question as to whether OLS, in its promotion of SMSFs as an investment, was giving unlicensed advice. OLS's conduct straddled the pre-FSR provisions of the Corporations Act and the transitional period of the FSRA. Ultimately ASIC formed the view that:

- The conduct prior to the FSRA was not caught by the Corporations Act
- For conduct during the transitional period, OLS obtained the benefit of the transitional provisions and did not need to obtain an AFSL to provide advice about SMSFs

At the same time ASIC reviewed certain OLS advertisements. The particular advertisements reviewed at the time were found not to be misleading and deceptive.

OLS became an authorised representative of a licensee, Strategic Capital Management, immediately prior to the end of the transition period of the FSRA.

ASIC is presently conducting inquiries in relation to OLS in the context of the Westpoint collapse.