Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Supplementary Budget Estimates

20 – 21 October 2010

Question: SBT 10

Topic: ASIC Guidelines

Senator Abetz asked:

Can companies that fall within the category of compliance in every other way except for the five year requirement under the new guidelines be assessed by ASIC on a case by case basis?

Answer:

All applications are assessed on a case by case basis.

Applicants which can demonstrate the qualifications and level of experience set out in ASIC regulatory guides are generally assessed as having sufficient competencies. Applicants who cannot demonstrate this level of qualification or experience are subject to further scrutiny.

Where a company is the applicant the company officers (who are being put forward as part of the credit business) and senior managers are assessed in respect of their qualifications and experience. Where the applicant seeks an authorisation to be a provider of finance then ASIC will accept officers or responsible managers with less than five years experience where they take one of the following options:

1.   They may choose to complete the Certificate IV in Financial Services (Credit Management) or Financial services (Finance/Mortgage broking) now; or
2.   They may wait to complete a new micro-lending qualification anticipated to be available early in 2011.

Where an applicant chooses option 2 it needs to have lodged an application by 31 December 2010 and ASIC will keep these applications open until the course is completed. This does not interfere with the business of a currently registered person. So long as an application for an Australian Credit Licence has been lodged with ASIC by 31 December 2010 the applicant is entitled to carry on business until 30 June 2011 by which time the registration is automatically cancelled. If prior to that date the applicant is successful then it can continue in business as a licensee.

The 30 June 2011 date allows an applicant sufficient time to complete any relevant course.

ENDS