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BANKING SECTOR NEWSLETTER

IN THE MEDIA

Banks tipped to settle as ASIC prepares fresh wave of lawsuits

The deputy chairman of the corporate watchdog expects major financial institutions will admit to wrongdoing and settle litigation as the regulator prepares to launch a fresh wave of lawsuits triggered by the Hayne royal commission. <https://www.smh.com.au/business/banking-and-finance/banks-tipped-to-settle-as-asic-prepares-fresh-wave-of-lawsuits-20200131-p53wmx.html>

Westpac facing new class action

Westpac is facing a new class action over issues connected to the bank's monitoring of financial crime and the recent AUSTRAC scandal. <https://www.financialstandard.com.au/news/westpac-facing-new-class-action-153466393>

FPA responds to draft legislation addressing Royal Commission recommendations

The FPA has responded to the Federal Government's draft legislation, which addresses 22 of the recommendations put forward last year by the Financial Services Royal Commission. It has however cautioned that the draft legislation will have significant and real impact for financial planners. <https://fpa.com.au/news/fpa-responds-to-draft-legislation-addressing-royal-commission-recommendations/>

APRA sets out policy and supervision priorities for 2020

APRA has set out its policy and supervision priorities for the next 12 to 18 months with an emphasis on fulfilling the four strategic goals of its Corporate Plan: maintaining financial system resilience; improving outcomes for superannuation members; improving cyber-resilience in the financial sector; and transforming governance, culture, remuneration and accountability (GCRA) across all APRA-regulated institutions. <https://www.apra.gov.au/news-and-publications/apra-sets-out-policy-and-supervision-priorities-for-2020>

APRA vows greater scrutiny of bank culture

APRA will strengthen and expand its Banking Executive Accountability Regime (BEAR) across the financial landscape as the regulator gears up for what could be a challenging year. <https://www.investordaily.com.au/regulation/46423-apra-vows-greater-scrutiny-of-bank-culture>

ABA: Tougher rules, back to basics and fixing the culture one year on

One year on from the Royal Commission the banking industry has tougher rules imposed by the Government and regulators, a back to basics approach to banking which is squarely centred on the customer and a renewed focus on fixing culture. <https://www.ausbanking.org.au/tougher-rules-back-to-basic-and-fixing-the-culture/>

Buy now, pay later services bring in new code of conduct

The increasingly popular "buy now, pay later" sector is promising better safeguards for vulnerable customers at risk of getting in over their heads with excessive credit. <https://www.abc.net.au/news/2020-01-29/buy-now-pay-later-services-code-of-conduct/11909312>

Government instigates open banking inquiry

The federal government has launched an inquiry into Consumer Data Right, assessing factors such as third parties being granted the ability to initiate payments. Banking is set to be the first sector to share information under the government's recently introduced consumer data right legislation, otherwise referred to as open banking, now delayed to July 2020. <https://www.investordaily.com.au/regulation/46403-government-instigates-open-banking-inquiry>

Consultation on stamping fee exemption

The Morrison Government announced Treasury will undertake a four week targeted public consultation process on the merits of the current stamping fee

exemption in relation to listed investment entities. Stamping fees are an upfront one-off commission paid to financial services licensees for their role in capital raisings associated with the initial public offerings of shares. <https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/media-releases/consultation-stamping-fee-exemption>

IN PRACTICE AND COURTS

[OAIC: Credit reporting changes to benefit consumers](#)

The OAIC has approved amendments to the Credit Reporting Code 2014 that will benefit consumers. The amendments set clear timeframes for processing corrections to consumer credit reports. The amendments to the Code will be introduced on 14 February 2020.

[AFSA and BETA partner on research to improve PPSR registrations](#)

Since 2012, there have been more than 20 million registrations created on the Personal Property Securities Register (PPSR). A registration on the PPSR can offer businesses excellent risk protection. However, registrations can be invalid if they are not exactly correct, exposing businesses to financial risk.

[APRA submission on Fintech and Regtech](#)

The APRA has published its submission to the Senate Select Committee on Financial Technology and Regulatory Technology.

[AUSPAYNET Payments Monitor January 2020](#)

Discover what lies ahead for payments in 2020 as our CEO, Andy White, outlines the key priorities for the coming year. This edition also includes a feature report on our Summit, and updates on industry initiatives currently underway.

[Banking, Superannuation & Financial Services Royal Commission - Recommendation 7.1: establishment of a compensation scheme of last resort](#)

The Coalition Government has released a discussion paper on establishing a Compensation Scheme of Last Resort. In its response, Restoring trust in Australia's financial system, the Government agreed to take action on recommendation 7.1 and establish an industry-funded, forward-looking compensation scheme of last resort.

[AUSTRAC: 2019 compliance report](#)

Reporting to AUSTRAC each year on how your business has met its AML/CTF compliance obligations is a requirement under the AML/CTF Act. You must submit your report by 31 March 2020.

THIS EDITION'S EDITORS



David Murray-Nobbs

Partner

+61 2 9225 2714

+61 405 183 587

dmurraynobbs@tqlaw.com.au



Marc Saadie

Partner

+61 2 9225 2752

msaadie@tqlaw.com.au

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SYDNEY | Level 25, 1 O'Connell Street | Sydney NSW 2000

MELBOURNE | Level 39, Rialto South Tower, 525 Collins Street | Melbourne VIC 3000

BRISBANE | Level 28, Waterfront Place, 1 Eagle Street | Brisbane QLD 4000

PERTH | Level 27, Exchange Tower, 2 The Esplanade | Perth WA 6000

ADELAIDE | Level 7, 19 Gouger Street | Adelaide SA 5000

tqlaw.com.au

Thomson Geer

@ThomsonGeer