

28 FEBRUARY 2020

ISSUE 53



BANKING SECTOR NEWSLETTER

IN THE MEDIA

ANZ and CBA push for consolidation of EFTPOS, BPAY and NPP

Both the Commonwealth Bank of Australia and the ANZ Banking Group have lodged submissions with the Reserve Bank of Australia's review of payments regulation saying the current menagerie of payments schemes and infrastructure needs to be reviewed with a view to an industry-wide platform. <https://www.itnews.com.au/news/anz-and-cba-push-for-consolidation-of-eftpos-bpay-and-npp-538076>

FSC canvasses capital requirements for advice licensees

Other sectors of the financial services industry should not be made to fund client losses generated by financial advisers under a compensation scheme of last resort (CSLR), according to the Financial Services Council (FSC). <https://www.moneymanagement.com.au/news/financial-planning/fsc-canvasses-capital-requirements-advice-licensees>

FSC Submission: Compensation scheme of last resort

The Financial Services Council (FSC) has released its submission on a compensation scheme of last resort (CSLR) and is urging the government to work with industry to ensure the CSLR is created to protect consumers and is targeted at the areas where unpaid determinations have historically arisen. <https://www.fsc.org.au/resources/1937-fsc-media-release-compensation-scheme-of-last-resort/file>

Help on offer for small businesses financially affected by coronavirus

Australian small businesses financially impacted by the spread of the coronavirus are being urged to contact their bank to access assistance on offer which can include deferred loan payments, waiving fees and restructuring loans. <https://www.ausbanking.org.au/coronavirus-statement-from-the-aba/>

Compensation bill hits \$750m

Six of Australia's largest banking and financial services institutions have so far paid, or offered, a total of \$749.7 million in compensation to customers, according to new data released by ASIC. <https://www.financialstandard.com.au/news/compensation-bill-hits-750m-153994855>

Ian Govey AM to chair Banking Code Compliance Committee

Former Australian Government Solicitor Ian Govey AM has been appointed to chair the Banking Code Compliance Committee (BCCC), the independent body that monitors and enforces the new Banking Code of Practice. <https://www.ausbanking.org.au/ian-govey-am-to-chair-banking-code-compliance-committee/>

New laws passed to drive fintech innovation and competition in the financial sector

Australian consumers and the booming fintech ecosystem will benefit from laws passed by Parliament to create a fintech regulatory sandbox. The sandbox allows fintechs to test new products and services for 24 months without obtaining a financial services licence or a credit licence from the ASIC. <https://ministers.treasury.gov.au/ministers/jane-hume-2019/media-releases/new-laws-passed-drive-fintech-innovation-and-competition>

ASIC succeeds in binary options case against One Tech Media Ltd, Allianz Metro Pty Ltd, Eustace Senese and Yoav Ida

OTML, based in the Seychelles and later in the Marshall Islands, offered binary options trading to customers in Australia through www.titantrade.com and <https://tradettn.com> (the Websites) without holding an Australian Financial Services Licence (AFSL) <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2020-releases/20-025mr-asic-succeeds-in-binary-options-case-against-one-tech-media-ltd-allianz-metro-pty-ltd-eustace-senese-and-yoav-ida/>

Taking action on the Banking, Superannuation & Financial Services Royal Commission – passing legislation to protect consumers and small businesses

The Morrison Government has passed legislation through the Parliament to enhance protections for consumers and small businesses and to strengthen the role of financial regulators. <https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/media-releases/taking-action-banking-superannuation-financial-5>

Good news for bank customers one year after Hayne report

The aftermath of the Hayne royal commission has seen billions of dollars of stolen money being returned to customers, multiple court cases underway and only one of the bosses of the big four banks has passed the milestone of two years in the top job. <https://www.abc.net.au/news/2020-02-04/one-year-on-from-the-banking-royal-commission-customers/11923866>

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 were introduced on 14 February 2020.

LEGISLATION

[Financial Sector Reform \(Hayne Royal Commission Response—Stronger Regulators \(2019 Measures\)\) Bill 2019](#)

Finally passed both houses 06/02/2020. Gives effect to certain recommendations of the Financial Services Royal Commission by amending National Consumer Credit Protection Act 2009 and National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 to: enable ASIC to cancel

an AFS licence if the licensee does not start to provide the relevant financial services within six months after the licence is granted; clarify ASIC's power to suspend or cancel an Australian credit licence if the person does not engage, or ceases to engage, in credit activities; require licensees to notify ASIC if they do not start to provide the financial services or engage in the credit activities covered by the licence within six months of it being granted.

[Treasury Laws Amendment \(2018 Measures No. 2\) Bill 2019](#)

Finally passed both houses 10/02/2020. Amends the: Corporations Act 2001 and National Consumer Credit Protection Act 2009 to allow regulations to provide for exemptions from the Australian Financial Services Licence and Australian Credit Licence requirements for the purposes of testing financial and credit products and services under certain conditions; Income Tax Assessment Act 1997 to amend the venture capital and early stage investor provisions to ensure that they operate as intended in relation to capital gains tax transactions, managed investment trusts and the early stage investor tax offset; and Income Tax Assessment Act 1936 to amend the definition of public trading trusts. Also provides for an independent review of the operation of the exemptions from the Australian Financial Services Licence and Australian Credit Licence requirements.

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