



Corporations Amendment Regulations 2010 (No. 2)

Select Legislative Instrument 2010 No. 55

I, QUENTIN BRYCE, Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following Regulations under the *Corporations Act 2001*.

Dated 24 March 2010

QUENTIN BRYCE
Governor-General

By Her Excellency's Command

CHRIS BOWEN
Minister for Financial Services, Superannuation and Corporate
Law

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1 Name of Regulations

These Regulations are the *Corporations Amendment Regulations 2010 (No. 2)*.

2 Commencement

These Regulations commence as follows:

- (a) on 18 April 2010 — regulations 1 to 3 and Schedule 1;
- (b) on 12 October 2011 — Schedule 2.

3 Amendment of *Corporations Regulations 2001*

Schedules 1 and 2 amend the *Corporations Regulations 2001*.

Schedule 1 Amendment commencing on 18 April 2010

(regulation 3)

[1] After regulation 7.9.15C

insert

**7.9.15CA Less information in Product Disclosure
Statement — financial claims scheme**

- (1) This regulation applies from 18 April 2010 to 11 October 2011.
- (2) For paragraph 1013D (4) (b) of the Act, paragraphs 1013D (1) (b) and (f) of the Act do not require a Product Disclosure Statement to contain information relating to Division 2AA of Part II of the *Banking Act 1959* or Part VC of the *Insurance Act 1973*.

Schedule 2 Amendments commencing on 12 October 2011

(regulation 3)

[1] Subparagraph 7.7.20A (3) (c) (iii)

omit

product.

insert

product; and

[2] After paragraph 7.7.20A (3) (c)

insert

- (d) a statement that the insurer cannot be a declared general insurer for the purpose of Part VC of the *Insurance Act 1973*, and, if the insurer becomes insolvent, the wholesale client will not be covered by the financial claims scheme provided under Part VC of that Act.

[3] Regulation 7.9.07FA

substitute

**7.9.07FA Product Disclosure Statement not required for
certain specified products**

For paragraph 1020G (1) (c) of the Act, Part 7.9 of the Act applies as if section 1012D of the Act were modified by inserting the following subsection after subsection 1012D (7):

'Recommendation, issue or sale situation — when Product Disclosure Statement not required

- (7A) In a recommendation situation, an issue situation or a sale situation, the regulated person does not have to give the client a Product Disclosure Statement for the financial product if:

-
- (a) the product is:
 - (i) a basic deposit product; or
 - (ii) a facility for making non-cash payments (see section 763D) that is related to a basic deposit product; or
 - (iii) a traveller's cheque; and
 - (b) the regulated person has provided information about the cost of the product (if any) to the client; and
 - (c) the regulated person has informed the client as to whether or not any amounts will or may be payable by the holder of the product, in respect of the product, after its acquisition; and
 - (ca) if the product is a protected account under the *Banking Act 1959* — the regulated person has informed the client that:
 - (i) the account-holder may be entitled to payment under the financial claims scheme; and
 - (ii) payments under the scheme are subject to a limit for each depositor; and
 - (iii) information about the financial claims scheme can be obtained from the APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 13 10 60; and
 - (d) the regulated person has asked the client whether or not the client would like further information about the amounts mentioned in paragraph (c); and
 - (e) if the client indicates that the client would like the further information about the amounts mentioned in paragraph (c) — the regulated person has provided that information.'

[4] After regulation 7.9.14C

insert

7.9.14D Further statements required in Product Disclosure Statement — financial claims scheme

- (1) For paragraph 1013D (1) (k) of the Act, the following further statements must be included in a Product Disclosure Statement that relates to a protected policy issued by a general insurer or a protected account issued by an authorised deposit-taking institution:
- (a) if the Product Disclosure Statement relates to a protected policy — a statement that:
 - (i) the person entitled to claim under insurance cover under a protected policy may be entitled to payment under the financial claims scheme; and
 - (ii) access to the scheme is subject to eligibility criteria;
 - (b) if the Product Disclosure Statement relates to a protected account — a statement that:
 - (i) the account-holder may be entitled to payment under the financial claims scheme; and
 - (ii) payments under the scheme are subject to a limit for each depositor;
 - (c) a statement that information about the scheme can be obtained from the APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 13 10 60.
- (2) In this regulation:
- authorised deposit-taking institution*** has the meaning given by subsection 5 (1) of the *Banking Act 1959*.
- financial claims scheme*** means:
- (a) the scheme provided for in Division 2AA of Part II of the *Banking Act 1959*; and
 - (b) the scheme provided for in Part VC of the *Insurance Act 1973*.
- general insurer*** has the meaning given by section 11 of the *Insurance Act 1973*.

protected account has the meaning given by subsections 5 (4) to (7) of the *Banking Act 1959*.

protected policy has the meaning given by subsection 3 (1) of the *Insurance Act 1973*.

[5] Subparagraph 7.9.15 (1) (c) (iii)

omit

product.

insert

product; and

[6] After paragraph 7.9.15 (1) (c)

insert

- (d) a statement that an insurer of that kind cannot be a declared general insurer for the purpose of Part VC of the *Insurance Act 1973*, and, if the insurer becomes insolvent, the person will not be covered by the financial claims scheme provided under Part VC of that Act.

[7] Schedule 10B, item 12

substitute

12 Contents of section 9

Section heading

- (1) The heading to section 9 of the Product Disclosure Statement must be relevant to its contents.

Information

- (2) Section 9 of the Product Disclosure Statement must contain the following information:
- (a) the name and address of the FHSA provider;

- (b) the address of the Internet page, and a phone number, operated by or for the provider from which a person can obtain further information about the product;
 - (c) the dispute resolution system that covers complaints by holders of the product, and how that system may be accessed.
- (3) Section 9 of the Product Disclosure Statement must contain a statement that:
- (i) the account-holder may be entitled to payment under the financial claims scheme; and
 - (ii) payments under the scheme are subject to a limit for each depositor; and
 - (iii) information about the scheme can be obtained from the APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 13 10 60.
- (4) Section 9 of the Product Disclosure Statement must also contain the following text:

‘First Home Saver Account enquiries

Information about the First Home Saver Accounts work, eligibility, fees and taxes, and links to savings calculators and other useful online tools.

visit www.ato.gov.au’.