

Article Information

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Banking & Finance Summary Updates - April 2020

There have been numerous updates in the industry over the past months from regulators and the Government.

- ASIC released Information Sheet 244 as guidance for all persons applying for a new or varied Australian credit licence. Applicants are now required to provide additional information to demonstrate persons including Responsible Managers, directors, secretaries and senior managers are fit and proper persons when making their application.
- On 27 March 2020, the Federal Court confirmed Storm Financial directors breached their duties to the directors were responsible for day-to-day significant decisions regarding the provision of financial services to clients and they failed to uphold these duties by not taking the reasonable steps necessary and providing inappropriate advice to investors in accordance with their personal circumstances.
- On 16 March 2020, ASIC commenced proceedings in the Federal Court against Commonwealth Bank of Australia for alleged contraventions of the ASIC Act and Corporations Act due to their AgriAdvantage Plus Package. This package allegedly harmed customers by not providing certain benefits to customers, therefore they were overcharged fees and interests on loans and fees.
- ASIC announced on 31 March 2020 that they are committed to refocusing their regulatory efforts on challenges posed by the COVID-19 pandemic. ASIC is providing temporary relief to allow certain 'low doc' offers such as rights offers, placements and share purchase plans to be made to investors to assist in raising funds urgently.
- From 1 March 2020 the updated Banking Code of Practice came into effect which can be accessed [here](#). Some of the changes were covered in our previous summary update which can be [viewed here](#).
- On 26 February 2020, ASIC provided an update on enforcement and regulatory work that has occurred since September 2019. Key updates regard the progress made in response to the referrals and case studies from the Royal Commission. The ASIC update can be found [here](#).
- The Federal Court experienced a data breach for years through their searchable Commonwealth Courts database which has disclosed the names of people who allegedly have been persecuted in their home countries. The details of 400 asylum seekers have been published which is a contravention of the Migration Act. This disclosure of confidential information has been regarded as a "major systemic failure".
- On 19 March 2020, the Senate Legal and Constitutional Affairs Legislation Committee recommended amendments to the current anti-money laundering and counter-terrorism financing legislation to allow financial institutions to enter into third-party due diligence arrangements for customer identification and verification.