|  |  |
| --- | --- |
| Mr Jason Lange  Executive Director  Office of Best Practice Regulation  Department of Prime Minister and Cabinet  1 National Circuit  BARTON ACT 2600  **By email**: helpdesk-obpr@pmc.gov.au |  |
|  |  |

25 March 2022

Dear Mr Lange

**Certification of independent review: ASIC Class Order [CO 11/927]**

I am writing to certify that the Australian Securities and Investments Commission (**ASIC**) has undertaken a process and analysis equivalent to a Regulatory Impact Statement (**RIS**) in deciding whether to remake [ASIC Class Order [CO 11/927] *Money management services*](https://www.legislation.gov.au/Details/F2011L02658/Explanatory%20Statement/Text)[CO 11/927], which, per the *Legislation Act 2003,* has been scheduled to sunset on 1 April 2022.

[[CO 11/927]](https://www.legislation.gov.au/Details/F2011L02658/Explanatory%20Statement/Text) provides limited Australian financial services (**AFS**) licensing relief for money management service providers (now known as financial capability service providers) who provide financial product advice about basic financial products to consumers in the course of providing money management services (now known as financial capability services), under programs funded by the Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs (**FaHCSIA**), now known as the Department of Social Services (**DSS**)

ASIC certifies that [[CO 11/927]](https://www.legislation.gov.au/Details/F2011L02658/Explanatory%20Statement/Text) is operating effectively and efficiently, and therefore a Regulatory Impact Statement is not required for this instrument to be remade.

I certify that the process, which involved a review, has adequately addressed all seven RIS questions. ASIC provides this certification to the Office of Best Practice Regulation in anticipation of a final policy decision being made.

The assessment that the instrument is operating effectively and efficiently has been informed by a consultation process with affected parties. Given the relief applies to a limited group of individuals and for limited activities – financial capability service providers who provide basic financial product advice under programs funded by the DSS – ASIC has consulted directly with the DSS to understand the operation of the program and relevance of the instrument. We also consulted with Financial Counselling Australia (**FCA**).

Feedback from the community stakeholders, the DSS and FCA, confirmed that [[CO 11/972]](https://www.legislation.gov.au/Details/F2011L02658/Explanatory%20Statement/Text) has been operating efficiently and effectively and continues to be required. This feedback supports ASIC remaking [[CO 11/972]](https://www.legislation.gov.au/Details/F2011L02658/Explanatory%20Statement/Text), with minor changes to reflect the updated names of the program and Government department.

Accordingly, I am satisfied that the documents identified in the Schedule 1 to this letter (and enclosed with it), evidences that ASIC's process and analysis meet best practice consistent with the *Australian Government Guide to Regulatory Impact Analysis*.

For each of the policy options considered in our analysis, the regulatory burden to business, community organisations or individuals has been quantified using the Australian Government’s Regulatory Burden Measurement Framework. These have been self-assessed by ASIC and a summary is set out in the documents enclosed with this letter.

The remaking of the instrument will result in no regulatory costs for financial capability service providers, as the instrument provides relief from the requirement to hold an AFS licence for the limited activities set out in the exemption. There are likely to be ongoing cost savings for both the financial capability service providers who rely on the relief, and for individual consumers who access the financial capability services.

I acknowledge that OBPR will publish this letter for transparency purposes.

If you have any queries about this, please contact Laura Porto on 0435 700 269 or at laura.porto@asic.gov.au.

Yours sincerely

Tim Gough

Senior Executive Leader – Credit and Banking

Australian Securities and Investments Commission

1. **Documents enclosed with the letter**

|  |  |
| --- | --- |
| **#** | **Document** |
|  | Estimate of regulatory compliance burden |
|  | Draft instrument – ASIC Corporations (Commonwealth Financial Counselling–Financial Capability Services) Instrument 2022/XXX |
|  | Draft explanatory statement |
|  | Consultation letter to FCA |
|  | Consultation letter to DSS |
|  | Follow up consultation questions to FCA |
|  | Follow up consultation questions to DSS |