

ASIC CLASS ORDER [CO 09/393]

EXPLANATORY STATEMENT

Prepared by the Australian Securities and Investments Commission

Corporations Act 2001

The Australian Securities and Investments Commission (ASIC) makes ASIC Class Order [CO 09/393] under subparagraphs 912A(2)(b)(i) and 1017G(2)(b)(i) of the *Corporations Act 2001* (the Act).

Subparagraphs 912A(2)(b)(i) and 1017G(2)(b)(i) provides that ASIC may approve an external dispute resolution scheme.

1. Background

Subparagraphs 912A(2)(b)(i) and 1017G(2)(b)(i) require an Australian financial service (AFS) licensee, unlicensed secondary seller and unlicensed product issuer to be a member of one or more external dispute resolution schemes that:

- (a) is, or are, approved by ASIC; and
- (b) covers complaints made by retail clients against the AFS licensee, unlicensed secondary seller or unlicensed product issuer in relation to the financial services provided.

2. Purpose of the class order

The purpose of this class order is to vary ASIC Class Order [CO 09/340] *External dispute resolution schemes* to approve Financial Ombudsman Service Limited ACN 131 124 448.

3. Operation of the class order

This class order varies ASIC Class Order [CO 09/340] by removing the approval of FOS Services Pty Ltd ACN 114 322 468 and substituting it for the approval of Financial Ombudsman Service Limited ACN 131 124 448.

4. Documents incorporated by reference

No documents are incorporated by reference.

5. Consultation

Before making [CO 09/340], ASIC consulted with relevant industry stakeholders on ASICs approval requirements for external dispute resolution schemes. The consultation process included the publication of Consultation Paper 102 *Dispute*

resolution – review of RG 139 and RG 165 in November 2008, which outlined ASICs proposals for our approval requirements of external dispute resolution schemes. Consultation Paper 102 sought comments from stakeholders.

ASIC prepared a RIS for the policy underlying this class order, which was approved by OBPR.