

# ASIC CLASS ORDER [CO 10/246]

## 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 10/246] for the purposes of subparagraphs 912A(2)(b)(i) and 1017G(2)(b)(i) of the *Corporations Act 2001* (the *Act*).

### 1. Background

Subparagraphs 912A(2)(b)(i) and 1017G(2)(b)(i) of the Act 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 scheme 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.

ASIC Class Order [CO 09/340] specifies the external dispute resolution schemes that have been approved by ASIC.

### 2. Purpose of the class order

The purpose of the class order is to revoke the approval of the Financial Co-Operative Dispute Resolution Scheme as it has voluntarily ceased operations.

### 3. Operation of the class order

This class order varies ASIC Class Order [CO 09/340] by removing the name of the Financial Co-Operative Dispute Resolution Scheme.

### 4. Consultation

ASIC did not engage in consultation before making this class order as it is of a minor and machinery nature.

Before making ASIC Class Order [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 Regulation Impact Statement for the policy underlying [CO 09/340], which was approved by the Office of Best Practice Regulation.