

Legal Alert

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Four changes financial advisers need to know about

The Federal Government has recently made four changes to the *Corporations Act 2001* (Act) through the *Corporations Amendment (Financial Advice Measures) Act 2016*. They are as follows:

1. Extension of 'best interests' duty to consumer credit insurance

The Federal Government has amended section 961B(3) of the Act, extending the 'best interests' duty to not only basic banking products and general insurance products, but also to consumer credit insurance.

2. Restructure of conflicted remuneration framework so that advisers have less access to benefits

There have been two important changes to the structure of conflicted remuneration:

- a) The new s963B(4) allows regulations to be passed, which can amend when a benefit may be deemed as conflicted remuneration. This may result in advisers acquiring less benefits; and
- b) The Federal Government amended section 963C(c)(ii) to allow for more training and education benefits without them being considered conflicted remuneration. This broader provision means that there will be more education and training benefits, which ASIC will not consider as conflicted remuneration.

3. Opt-in Renewal Notice up to 60 days

Clients need to receive opt-in notices within 60 days after their renewal notice day. Previously, the notice period was limited to 30 days.

4. Fee Disclosure Statements up to 60 days

The Federal Government has amended legislation, so that clients only need to receive their fee disclosure statement within 60 days after their disclosure date. As was the case with opt-in notices, the notice period used to be only 30 days.

More information?

Companies should amend their processes and documentation to reflect the recent changes. For further information on the recent amendments, please contact [Astrid Raetze](#).

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