



Committee	Parliamentary Joint Committee on Corporations and Financial Services
Inquiry	Inquiry into the Corporations Amendment (Improving Outcomes for Litigation Funding Participants) Bill 2021.
Question No.	WQoN001
Reference	Written
Committee member	Senator O'Neill

Question

The Committee would benefit from a submission from ASIC which sets out how the amendments would, in practical terms, impact on ASIC's work – including its administration of the managed investment scheme rules. In the time available, could ASIC provide a short submission to this inquiry covering those points.

Answer

The Bill provides *'a framework for court-based regulation of the share of the claim proceeds of a class action litigation funding scheme that is distributed to entities that are not members of the scheme'* (Explanatory Memorandum, *Corporations Amendment (Improving Outcomes for Litigation funding Participants) Bill 2021*, para 1.27). The court-based regulation of claim proceeds will not impact ASIC's work.

ASIC's regulatory role in administering the Australian Financial Services licence and managed investment schemes regimes will not be significantly impacted by the Bill.

Should the Bill be enacted, ASIC will:

- continue its licensing work. This involves processing applications for the licensing of operators of class action litigation funding schemes;
- continue its scheme registration work. This involves registering schemes that meet the new definition of 'class action litigation funding scheme' as managed investment schemes, including by reference to the proposed new scheme constitution requirements;
- consider whether the existing class relief given by ASIC in relation to litigation funding schemes should continue, be varied or withdrawn;
- consider whether further regulatory guidance and relief is necessary and appropriate; and
- consider appropriate regulatory action where breaches of the new provisions are identified.