



Australian Government

Australian Government response to the
Parliamentary Joint Committee on
Corporations and Financial Services report:

Statutory Oversight of the Australian Securities and
Investments Commission – August 2011

FEBRUARY 2013

Recommendation 1

- The committee recommends that ASIC amend its website to include an explanation of the meaning and significance of holding an Australian financial services licence. The information could also be usefully included on the MoneySmart website.

Government response

- The Government **supports** this recommendation.
- An Australian Financial Services (AFS) licence is an important safeguard in ensuring consumers and investors are afforded due protections under the *Corporations Act 2001*. The Government broadly supports any measures that would increase consumer or investor understanding of the meaning and significance in holding an AFS licence.
- The Government notes that ASIC has updated its MoneySmart website to include additional information on the meaning and significance of holding an AFS licence. This material, available at www.moneysmart.gov.au, states that an AFS Licence is:
 - *A licence given by ASIC that allows people or companies to legally carry on a financial services business, including selling, advising or dealing in financial products. You should only deal with licensed businesses as you are better protected if things go wrong and you will have access to free dispute resolution services. ASIC grants a licence if a business shows it can meet basic standards such as training, compliance, insurance and dispute resolution. The business is responsible for maintaining these standards. A licence does not mean that ASIC endorses the company, financial product or advice or that you cannot incur a loss from the investment.*
- This information is also supported by additional information and tools regarding AFS licenses, available at www.moneysmart.gov.au. ASIC has also updated its primary website to contain similar information: <http://www.asic.gov.au/afslicensing>.
- The Government commends ASIC's decision to adopt the Committee's recommendation, and also its continued approach to consumer and investor education.