



File Note

ASIC

Australian Securities & Investments Commission

RE: **GE Money**

FILE REF: 06-3008

DATE: 22 May 2008

As a result of its concerns described below, ASIC has required that this Enforceable Undertaking be withdrawn, effective from 22 May 2008.. In accordance with ASIC policy in relation to Enforceable Undertakings this has been done at the request of the parties who offered the Enforceable Undertaking (who trade as GE Money), and on the basis there are exceptional circumstances why this request should be agreed to by ASIC.

The Enforceable Undertaking was accepted in relation to specific concerns which ASIC had identified in relation to GE Money's advice processes and sales of insurance. It required an expert's assessment and review, which was later provided to ASIC. This assessment, and information subsequently obtained by ASIC, indicated that there were broader and more serious issues relating to GE Money's processes, and also breaches of the Enforceable Undertaking.

ASIC considers that these circumstances necessitate the withdrawal of the Enforceable Undertaking because:

- the Enforceable Undertaking was breached by GE Money and therefore no longer provides an appropriate means of addressing ASIC's concerns;
- that the most appropriate regulatory action, to address both the limited issues addressed in the Enforceable Undertaking and the broader issues, is to impose additional conditions in the Australian Financial Services Licenses of the Hallmark companies. The additional conditions provide a structure to address both matters.

The additional licence conditions have taken effect from 22 May 2008 so as to be effective immediately on withdrawal of the Enforceable Undertaking. Additional information is set out in an ASIC media release dated 22 May 2008.