

Attachment 1 to CP 286: Draft instrument



ASIC

Australian Securities & Investments Commission

ASIC Corporations (Mortgage Offset Accounts) Instrument 2017/XX

I, <insert name>, delegate of the Australian Securities and Investments Commission, make the following legislative instrument.

Date 2017

[DRAFT ONLY—NOT FOR SIGNATURE]

<signature>

<insert name>

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Part 1—Preliminary

1 Name of legislative instrument

This is the *ASIC Corporations (Mortgage Offset Accounts) Instrument 2017/XX*.

2 Commencement

This instrument commences on the day after it is registered on the Federal Register of Legislation.

Note: The register may be accessed at www.legislation.gov.au.

3 Authority

This instrument is made under paragraph 926A(2)(a) of the *Corporations Act 2001*.

4 Definitions

In this instrument:

Act means the *Corporations Act 2001*.

mortgage offset account means a deposit product that is a facility in relation to which either of the following applies:

- (a) the amount standing to the credit of the facility from time to time is notionally offset against the balance of a loan entered into by the depositor with the provider of the facility, and interest on the loan is calculated by reference to the notionally-reduced loan balance;
- (b) interest payable on a loan entered into by the depositor with the provider of the facility is periodically reduced by an amount that would otherwise accrue as interest or other earnings on the amount standing to the credit of the facility from time to time.

Part 2—Exemption

5 Licensing exemption for mortgage offset account services

A person who provides financial services does not have to comply with subsection 911A(1) of the Act for the provision of any of the following financial services:

- (a) financial product advice relating to a mortgage offset account;
- (b) arranging for another person to apply for, acquire, vary or dispose of a mortgage offset account.

Note: *ASIC Corporations (Effect of Licensing Exemptions) Instrument 2015/1115* provides relief from subsection 911B(1) of the Act to a person who provides financial services on behalf of a person who does not need an Australian financial services licence because of an exemption under section 926A of the Act.