

**Australian Securities and Investments Commission
National Credit Code – Subsection 203A(1) – Exemptions**

Enabling power

1. The Australian Securities and Investments Commission (**ASIC**) makes this instrument under subsection 203A(1) of the National Credit Code (the **Code**).

Note: The Code is found in Schedule 1 to the *National Consumer Credit Protection Act 2009*.

Title

2. This instrument is ASIC Instrument 10-0578.

Exemption

3. The Commonwealth Bank of Australia ACN 123 123 124 (**CBA**) does not have to comply with:
 - (a) section 16 of the Code;
 - (b) section 87 of the Code; and
 - (c) subsection 194(3) of the Code.

Where exemptions apply

4. The exemption in subparagraph 3(a) applies from 1 July 2010 to 30 September 2010, in relation to credit contracts known as loans for residential property for investment purposes.
5. The exemption in subparagraph 3(b) applies from 1 July 2010 to 31 December 2010, in relation to credit contracts known as personal loans, credit cards, overdrafts, home loans (including loans for residential property for investment purposes) and lines of credit.
6. The exemption in subparagraph 3(c) applies from 1 July 2010 to 31 December 2010, in relation to credit contracts known as residential investment property loan contracts.

Conditions

7. CBA must:
 - (a) resolve any complaints made by affected customers within 4 business days after CBA is made aware of the complaint, unless the complaint is required to be handled in accordance with CBA's internal dispute resolution procedures; and
 - (b) waive and/or reimburse any fees and charges incurred and/or paid by affected customers as a result of them not being given the statements, notices or documents specified in sections 16 and 87, and subsection 194(3) of the Code, during the period in which the exemptions in paragraph 3 apply; and
8. In relation to the exemption in subparagraph 3(a), CBA must also:

(a) send each affected customer the following disclosure in a letter as soon as possible from 1 July 2010, advising that:

- (i) the customer has the option of contacting the CBA to have the prescribed forms specified in section 16 of the Code sent to them; and
- (ii) the Terms and Conditions document sent with the proposed credit contract inaccurately states that the Code does not apply to loans for residential property for investment purposes; and

(b) ensure any proposed credit contracts given to customers before 18 June 2010 and not returned to CBA by 30 September 2010 are not accepted by CBA.

Interpretation

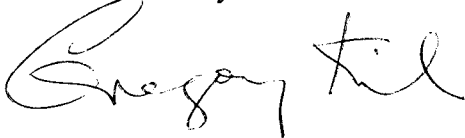
9. In this instrument:

affected customers means:

- (a) in relation to the exemption in subparagraph 3(a) – those debtors whose credit contract was accepted by CBA after 30 June 2010 and who were not given the statements specified in section 16 of the Code;
- (b) in relation to the exemption in subparagraph 3(b) - those debtors who:
 - (i) authorised payment of an amount for their credit contract by direct debit but defaulted for the first time;
 - (ii) did not rectify the default within 10 business days; and
 - (iii) did not receive the notice specified in section 87 of the Code.
- (c) in relation to the exemption in subparagraph 3(c) – those joint debtors, mortgagors or guarantors in relation to residential investment property loan contracts who were not given a notice or other document under subsection 194 (3) of the Code.

direct debit has the meaning given by subsection 87(6) of the Code.

Dated this 30th day of June 2010



Signed by Gregory Kirk
as a delegate of the Australian Securities and Investments Commission