



**ASIC**  
Australian Securities &  
Investments Commission

## REGULATORY GUIDE 281

# Low cost credit contracts

May 2025

### About this guide

This guide is for Australian credit licensees who provide a category of credit known as low cost credit contracts. Most buy now pay later contracts fall into this category.

It sets out ASIC's guidance on how the credit regime applies to low cost credit contracts, including the modified responsible lending obligations in Ch 3 of the *National Consumer Credit Protection Act 2009* (National Credit Act).

### About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

**Consultation papers:** seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

**Regulatory guides:** give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

**Information sheets:** provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

**Reports:** describe ASIC compliance or relief activity or the results of a research project.

### Document history

This guide was issued in May 2025 and is based on legislation and regulations as at the date of issue.

### Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the National Credit Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

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## A Overview

### Key points

If you are a provider of low cost credit contracts, you must comply with certain obligations under the consumer credit regime, some of which are modified for low cost credit contracts.

This guide explains:

- how the regime for low cost credit contracts applies (see Section B);
- what you must do to comply with the modified responsible lending obligations (see Section C);
- how you can elect to comply with the modified responsible lending obligations under the regime (see Section D); and
- what other modified obligations apply to all low cost credit contracts (see Section E).

RG 281.1 Following reforms made by the [Treasury Laws Amendment \(Responsible Buy Now Pay Later and Other Measures\) Act 2024](#), from 10 June 2025, low cost credit contracts and buy now pay later contracts are regulated as a type of credit under the *National Consumer Credit Protection Act 2009* (National Credit Act).

RG 281.2 If you are, or will be, a provider of credit under a low cost credit contract or buy now pay later contract as defined in the National Credit Act, you must:

- (a) hold and maintain an Australian credit licence (credit licence) and comply with the relevant licensing obligations; and
- (b) comply with obligations under the National Credit Act and National Credit Code (at Sch 1 of the National Credit Act), some of which are modified for providers of low cost credit contracts.

RG 281.3 The regime for low cost credit contracts is designed to maintain the unique benefits of these contracts while reducing consumer harm.

Note: See the Explanatory Memorandum to the Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Bill 2024 ([Explanatory Memorandum](#)) at paragraphs 2.11–2.12 and 2.16–2.19.

## B The regime for low cost credit contracts

### Key points

A low cost credit contract is a category of credit under the National Credit Code. Most buy now pay later contracts fall into this category.

The regime applies on or after commencement to low cost credit contracts that were entered into before, on or after commencement.

### How does the regime apply?

- RG 281.4 Most buy now pay later contracts are regulated as low cost credit contracts.
- RG 281.5 If a buy now pay later contract does not meet the definition of a low cost credit contract because the fees and charges payable exceed prescribed limits (see RG 281.16–RG 281.18), it is regulated as a credit contract under the National Credit Code (i.e. without any of the modifications under the low cost credit contract regime in Sections C–E).
- RG 281.6 If a credit contract falls within the definition of a low cost credit contract, but could also be characterised as a small amount credit contract or a medium amount credit contract for the purposes of the National Credit Code, it is regulated only as a low cost credit contract.

Note: If a low cost credit contract meets the definition of another type of credit contract other than a small amount credit contract or medium amount credit contract (e.g. a continuing credit contract or credit card contract), you will need to comply with any other obligations that may apply to those credit contract types.

### What is a ‘low cost credit contract’?

- RG 281.7 Under s13E of the National Credit Code, a low cost credit contract is a contract:
- (a) where credit is or may be provided;
  - (b) in the form of a buy now pay later contract (see RG 281.11), or a contract of a kind prescribed by regulations; and
  - (c) which meets any other requirements prescribed by the regulations, including fees and charges (see RG 281.16–RG 281.18).

Note 1: Credit for this purpose is credit as defined in s3 of the National Credit Code—where payment of a debt owed by one person to another is deferred; or one person incurs a deferred debt to another.

Note 2: In this guide, all section references are to the National Credit Act (unless otherwise specified) and regulation references are to the *National Consumer Credit Protection Regulations 2010* (National Credit Regulations).

- RG 281.8 The requirement in s5(1)(c) of the National Credit Code that a charge is or may be made for the provision of credit (e.g. interest charges) does not apply to low cost credit contracts: s13C(2) of the National Credit Code.
- RG 281.9 Providers of low cost credit contracts also cannot rely on the following provisions to be excluded from the National Credit Code:
- (a) s6(1), which excludes certain types of short-term credit;
  - (b) s6(5), which excludes the provision of credit for which only account charges are payable; and
  - (c) s6(13), 6(14) and 6(17), relating to the provision of credit excluded by regulations or legislative instrument: s13C(2) of the National Credit Code.
- RG 281.10 All other requirements for the provision of credit under the National Credit Code must be met: see Regulatory Guide 203 *Do I need a credit licence?* ([RG 203](#)).

Note: Regulation 28RB provides an exemption from certain provisions if there is a genuine small business purpose for the credit.

### Buy now pay later contracts

- RG 281.11 To be a buy now pay later contract, the credit contract must be part of a buy now pay later arrangement. A buy now pay later arrangement is an arrangement or series of arrangements where:
- (a) a merchant supplies goods or services to a consumer;
  - (b) a third person (buy now pay later provider) pays the merchant, directly or indirectly, some or all the price for that supply of goods or services; and
  - (c) there is a contract between the consumer and the buy now pay later provider to provide credit to the consumer in connection with that supply of goods and services (the buy now pay later contract): s13D(1) of the National Credit Code.
- RG 281.12 To be a buy now pay later arrangement, it does not matter:
- (a) if there are any fees or charges payable by the consumer or merchant in connection with the arrangement;
  - (b) if the contract is a continuing credit contract;
  - (c) if the merchant, consumer, and buy now pay later provider are not all parties to one contract; or
  - (d) when the payment occurs (this can be before, at, or after the supply of goods and services): s13D(3) of the National Credit Code.
- RG 281.13 The requirement under s5(1)(c) of the National Credit Code that a charge is or may be made for the provision of credit does not apply to buy now pay later contracts. Certain exclusions under the National Credit Code also do not apply: see s13B(2)(b) of the National Credit Code and RG 281.9(a)–RG 281.9(b).

- RG 281.14 The buy now pay later provider may pay for the goods or services indirectly, such as through a third party payment service provider or card scheme.
- RG 281.15 The National Credit Regulations may exclude certain arrangements or certain series of arrangements from being a buy now pay later arrangement: s13D(2) of the National Credit Code.

## Fees and charges

- RG 281.16 The total amount of fees and charges that may be payable under a low cost credit contract and any other low cost credit contracts between you and a consumer in a 12-month period (fee caps) are set out in reg 69G of the National Credit Regulations.

Note: Regulation 69G sets out fee caps for fees or charges (other than default fees or charges) and default fees or charges for a fee period.

- RG 281.17 The reference to ‘fees and charges’ excludes:
- (a) fees and charges associated with a related deposit facility—that is, any fees or charges that are payable to or by a credit provider in connection with a credit contract where both credit and debit facilities are available, and if the fees or charges would be payable even if credit facilities were not available;
  - (b) government charges or duties on receipts or withdrawals; and
  - (c) enforcement expenses: s13E(3) of the National Credit Code.
- RG 281.18 Under a low cost credit contract, the fees and charges that are, or may be payable under the contract cannot exceed the fee caps in a fee period. (i.e. in the contract you must include the maximum fees and charges that are, or may be payable, taking into account any other low cost credit contracts you may have with the consumer). You must have systems in place to ensure that you comply with the fee caps.

Note: The fee period is a 12-month period which starts on the later of when a consumer first became a debtor under a low cost credit contract, or 10 June 2025, and each subsequent 12-month period after that: see reg 69G(4). The fee period covers fees and charges payable under all low cost credit contracts between a provider and a consumer.

## What contracts are covered by the regime?

- RG 281.19 The regime applies to all credit activity in relation to all credit contracts that meet the definition of a low cost credit contract from commencement, including the requirement that the fees and charges that are or may be payable under the contract do not exceed the fee caps: see RG 281.16–RG 281.18.

RG 281.20 This means that the regime applies to all low cost credit contracts that were entered into before (pre-commencement contracts), on, or after commencement.

Note: The National Credit Code also applies to buy now pay later contracts that do not meet the definition of a low cost credit contract entered into before, on, or after commencement of the regime: see the [Explanatory Memorandum](#) at paragraph 2.137. If you seek to rely on the modified obligations in relation to these contracts, you must vary the contract to comply with the fee caps for low cost credit contracts (see RG 281.16–RG 281.18) before relying on the modified obligations.

RG 281.21 For a pre-commencement contract, this means that a consumer may make a hardship application or a complaint under internal and external dispute resolution processes.

RG 281.22 You do not have to comply with the responsible lending obligations for a pre-commencement contract. However, if you increase the credit limit of a pre-commencement contract on or after commencement of the regime, you must comply with the responsible lending obligations.

Note: You may elect to comply with the modified responsible lending obligations (see Sections C and D).



## C Complying with the modified responsible lending obligations

### Key points

The modified responsible lending obligations vary some of the standard responsible lending obligations for low cost credit contracts.

Where elements have not been modified, you must comply with the standard responsible lending obligations.

### What are the modified responsible lending obligations?

- RG 281.23 The standard responsible lending obligations require you to:
- (a) make reasonable inquiries about the consumer's requirements and objectives and financial situation;
  - (b) take reasonable steps to verify their financial situation; and
  - (c) assess whether the credit contract is unsuitable.
- RG 281.24 Under the modified responsible lending obligations, you are still required to undertake the steps at RG 281.23. However, the modifications:
- (a) ease some requirements about the timing of inquiries, verification and assessments of unsuitability;
  - (b) provide specified factors to be taken into account in determining what constitutes reasonable inquiries and reasonable steps to verify;
  - (c) mandate certain inquiries about a consumer's financial situation;
  - (d) create a rebuttable presumption that low cost credit contracts with a credit limit of \$2,000 or less meet the consumer's requirements and objectives for the purposes of unsuitability assessments; and
  - (e) allow you to conduct inquiries and an assessment for an amount of credit larger than that initially offered to the consumer. This assessment covers any subsequent credit limit increases up to that amount for a period of up to two years if certain requirements are met.
- RG 281.25 Table 1 summarises more specific information about the modifications. Where elements of the responsible lending obligations are not modified, the standard obligations apply: see Regulatory Guide 209 *Credit licensing: Responsible lending conduct* ([RG 209](#)) for guidance on these obligations (as noted in Table 1).

Note: The standard responsible lending obligations are modified for some products that are not low cost credit contracts. The summary does not cover those modifications.

**Table 1: Differences between the standard and modified responsible lending obligations**

Standard responsible lending obligations	Modified responsible lending obligations
<p><b>1. Make reasonable inquiries about the consumer</b></p> <p>You must make reasonable inquiries about a consumer's:</p> <ul style="list-style-type: none"> <li>• requirements and objectives; and</li> <li>• financial situation: s130.</li> </ul>	<p>You must still make reasonable inquiries about a consumer's requirements and objectives and financial situation: see <a href="#">RG 209</a> at RG 209.51–RG 209.78 for the types of inquiries you can make.</p> <p>In determining what constitutes 'reasonable' inquiries under s130, you must have regard to several factors: s133BXC. These factors are generally intended to lower the scope and intensity of reasonable inquiries, however, in some circumstances, a more robust analysis may be required: see RG 281.38–RG 281.40 and Table 2.</p> <p>There are mandatory inquiries that you must undertake about a consumer's financial situation: see reg 28HAD. See RG 281.26–RG 281.37.</p>
<p><b>2. Take reasonable steps to verify the information obtained</b></p> <p>You must take reasonable steps to verify the consumer's financial situation: s130.</p>	<p>You must still take reasonable steps to verify the information obtained: see <a href="#">RG 209</a> at RG 209.122–RG 209.127 for the types of information you can rely on to verify a consumer's financial situation.</p> <p>In determining what constitutes reasonable verification under s130, you must have regard to several factors: s133BXC. These factors are generally intended to lower the scope and intensity of reasonable verification, however, in some circumstances, a more robust analysis may be required: see RG 281.38–RG 281.40 and Table 2.</p>
<p><b>3. Assess whether the credit product or credit limit increase is 'not unsuitable' for the consumer</b></p> <p>Before engaging in regulated conduct under s128(a)–(ba), you must assess whether a credit contract or credit limit is unsuitable: s128–129.</p> <p>The contract must be assessed as being unsuitable if at the time of assessment it is likely that:</p> <ul style="list-style-type: none"> <li>• the consumer will be unable to comply with their financial obligations under the contract, or could only comply with substantial hardship;</li> <li>• the contract will not meet the consumer's requirements or objectives; or</li> <li>• circumstances prescribed in the regulations apply: s131.</li> </ul>	<p>You must still assess whether a contract or credit limit increase is unsuitable, and you are prohibited from entering into a contract or increasing the credit limit if it is unsuitable: see Section C of <a href="#">RG 209</a>.</p> <p>For contracts that are less than or equal to \$2,000, there is a presumption that the contract or credit limit increase will meet the consumer's requirements and objectives for the purposes of s131(2)(b): s133BXE. See RG 281.41–RG 281.47.</p> <p>There is no presumption for assessing whether the consumer would be able to comply with their financial obligations, or could only comply with substantial hardship. You must still assess the consumer's ability to comply with their financial obligations under the contract: see <a href="#">RG 209</a> at RG 209.186–RG 209.214.</p> <p>You may conduct assessments for amounts higher than the initial credit limit provided, which will cover credit limit increases up to that amount for two years: s133BXD. See RG 281.48–RG 281.64.</p> <p>Note: This only applies to contracts that were entered into on or after commencement, where the inquiries, verification and assessment were made on or after commencement.</p>

Standard responsible lending obligations	Modified responsible lending obligations
<p><b>4. Do not enter into or increase the credit limit of the contract if the credit product or credit limit increase is unsuitable</b></p> <p>You are prohibited from entering into a credit contract or increasing the credit limit of a contract if the contract is unsuitable: s133.</p>	<p>For contracts that are less than or equal to \$2,000, there is a presumption that the contract will be 'not unsuitable' in terms of meeting the consumer's requirements and objectives for the purpose of the prohibition in s133(2)(b): s133BXF. See RG 281.41–RG 281.47.</p> <p>There is no presumption of a contract being 'not unsuitable' in relation to the other requirements in s133(2)(a) (whether the consumer would be able to comply with their financial obligations or could only comply with substantial hardship): see <a href="#">RG 209</a> at RG 209.186–RG 209.214.</p>
<p><b>5. Do not make unconditional representations.</b></p> <p>You must not make unconditional representations to a consumer about their eligibility to enter into the credit contract or about whether the credit limit will be able to be increased unless you have, within 90 days before the credit day, made an assessment of unsuitability and made reasonable inquiries and taken reasonable steps to verify: s128(aa) and 128(ba).</p>	<p>This condition does not apply: s133BXB(a).</p> <p>Note: You are still subject to an obligation not to engage in conduct that is misleading or deceptive or likely to mislead or deceive.</p>
<p><b>6. If requested, give a copy of the assessment to the consumer.</b></p> <p>If you are asked by the consumer for a copy of the assessment that a credit product is 'not unsuitable', you must provide a written copy of the assessment free of charge (within the prescribed time limits): s132.</p>	<p>This obligation is the same: see <a href="#">RG 209</a> at RG 209.255–RG 209.273.</p> <p>However, all materials required to be given in relation to low cost credit contracts can be given electronically: see Section D.</p>
<p><b>7. Comply with time limits when making inquiries, verification, and assessments.</b></p> <p>You must undertake reasonable inquiries, verification and the assessment within 90 days before entering into a contract or increasing the credit limit: s128(a) and 128(d).</p>	<p>The time period for reasonable inquiries, verification and assessment is increased—you have 120 days before entering the low cost credit contract: reg 28HAC.</p> <p>Note: If you enter into a contract or increase a credit limit after commencement and are relying on inquiries and verification or an assessment made before commencement, the inquiries and verification and assessment must have been made within 90 days of entering into the contract.</p>
<p>No equivalent provision</p>	<p>You must have a written policy that sets out how you will comply with assessments of unsuitability under s128 and 131: s133BXG. See RG 281.65 and Table 3.</p>

## What mandatory inquiries must I make?

- RG 281.26 Regulation 28HAD sets out mandatory inquiries you must make about a consumer's:
- (a) income, expenditure and other credit products (reg 28HAD(6)) (see RG 281.29–RG 281.33); and
  - (b) credit history (reg 28HAD(3)–(4)) (see RG 281.34–RG 281.37).

- RG 281.27 Under s130(1), you must make reasonable inquiries about the consumer's financial situation and take reasonable steps to verify the information obtained for each low cost credit contract, having regard to the factors at s133BXC: see RG 281.38–RG 281.40 and Table 2.
- RG 281.28 Regulation 28HAD is intended to ensure that, regardless of how the factors set out at s133BXC(3) scale what constitutes reasonable inquiries and reasonable steps to verify for the purposes of s130(1), there are certain inquiries that are made in all circumstances, regardless of the low cost credit contract, consumer or credit provider. Therefore, reg 28HAD effectively sets a floor for what is required to comply with s130(1). Ultimately, to comply with s130(1), you will need to determine what constitutes reasonable inquiries and verifications, having regard to the factors set out in s133BXC(3).

Note: See the Explanatory Statement to the *National Consumer Credit Protection Amendment (Low Cost Credit) Regulations 2025* ([Explanatory Statement](#)), p. 8.

### **Mandatory inquiries about the consumer's income, expenditure and other credit products**

- RG 281.29 You must seek to obtain information that you reasonably believe to be substantially correct about:
- (a) the consumer's income and expenditure (see [RG 209](#) at RG 209.58–RG 209.78 for guidance on information that may assist when seeking to obtain information about a consumer's financial situation); and
  - (b) any low cost credit contracts, small amount credit contracts and/or consumer leases to which the consumer is currently a party: reg 28HAD(6).

Note: Although the regulations do not prescribe the type of information you must collect about any low cost credit contracts, small amount credit contracts and/or consumer leases, information about the size, length and repayments of these contracts may help you understand the consumer's financial situation.

- RG 281.30 You can determine how (and in what format) the information is obtained, provided you reasonably believe that the information is substantially correct. You will need to undertake further inquiries where you cannot form a reasonable belief that the information is substantially correct, for example, because the information is unclear, inconsistent or there are signs of fraud.

Note: Your obligation to take reasonable steps to verify a consumer's financial situation is a separate obligation. Further information about this obligation is at Table 1 under '2. Take reasonable steps to verify the information obtained'. Any information you obtain to meet this obligation can be used to form a reasonable belief that the information is substantially correct.

- RG 281.31 You may be able to use a variety of methods to obtain information about the consumer, including asking the consumer questions or looking at existing information you have about the consumer (e.g. if the consumer holds their transaction accounts with you) to satisfy the requirement in reg 28HAD(6), provided the information could be reasonably believed to be substantially

correct. This includes ensuring that the information you hold is reliable, complete and is relevant to the consumer's current situation.

Note: See further guidance on existing consumer information at [RG 209](#) at RG 209.114.

- RG 281.32 As the information required to be obtained by reg 28HAD(6) is additional to the information required by reg 28HAD(3) and (4) (see RG 281.34–RG 281.37), you could use information obtained under reg 28HAD(3) and (4) to determine whether you reasonably believe that the information obtained under reg 28HAD(6) is substantially correct, where relevant and depending on the circumstances. If the information obtained for the purposes of reg 28HAD(6) is incongruent with other information gathered under regs 28HAD(3) and (4), you cannot reasonably believe that the information is substantially correct. For example, if a consumer tells you they do not have any small amount credit contracts, but the credit inquiry reveals recent defaults in relation to an existing small amount credit contract, it may not be reasonable for you to believe that the information is substantially correct.

Note: See the [Explanatory Statement](#), p. 10.

- RG 281.33 Benchmarks may also be useful in some circumstances to test whether the information could be reasonably believed to be substantially correct because it is within the range expected for a person in broadly similar circumstances to the consumer (alternatively, the comparison may indicate that the information provided may not be true). However, you need to regularly monitor and review benchmarks and how you use them to ensure they remain appropriate (e.g. by assessing data on defaults, complaints and dispute resolution).

Note: For further guidance on steps for ensuring expense benchmarks are reliable and adequate, see [RG 209](#) at RG 209.140.

## Mandatory inquiries about the consumer's credit history

- RG 281.34 You must also seek to obtain information about the consumer's credit history from a credit reporting body.
- RG 281.35 If the value of the low cost credit contract being entered into combined with the value of other low cost credit contracts the consumer has with you that are still in force is **less than \$2,000** at the time the low cost credit contract is entered into or after the credit limit is increased, you must seek to obtain the following information (commonly known as a 'negative credit check') about the individual (reg 28HAD(2)–(3)):
- (a) identification information;
  - (b) details of any information requests;
  - (c) default information;
  - (d) payment information;
  - (e) personal insolvency information;

- (f) information covered by s6N(k) of the *Privacy Act 1988* (Privacy Act) (which covers certain kinds of publicly available information);
- (g) new arrangement information; and
- (h) court proceedings information.

Note 1: These types of information carry the same meaning as defined in the Privacy Act. A credit check can only be obtained where a consumer is a natural person (not a strata corporation).

Note 2: 'Credit reporting body' has the same meaning as in the Privacy Act.

RG 281.36 If the value of the contract combined with the value of other low cost credit contracts the consumer has with you that are still in force is ***greater than or equal to \$2,000*** at the time the low cost credit contract is entered into or after the credit limit is increased, you must seek to obtain (commonly known as a 'partial credit check'):

- (a) the negative credit check information in RG 281.35; and
- (b) information about the individual's consumer credit liability within the meaning of the Privacy Act (reg 28HAD(4)).

Note: You need to be aware of your obligations under Part IIIA of the Privacy Act. To obtain partial credit checks, you will also need to be a signatory to and understand your obligations under the Principles of Reciprocity and Data Exchange, which can be viewed on the [Australian Retail Credit Association website](#). For more information, see the [Explanatory Statement](#), pp. 9–10.

RG 281.37 Some of a consumer's negative credit check and credit liability information may not be available for various reasons. Where you have made reasonable efforts to obtain the information from the credit reporting body, you can comply with the mandatory requirements despite not obtaining all of the information in reg 28HAD(3) and (4).

Note: See the [Explanatory Statement](#), p. 9.

## What mandatory factors must I consider to determine what is 'reasonable'?

RG 281.38 In determining what constitutes reasonable inquiries and reasonable steps to verify, the modified responsible lending obligations require you to have regard to the factors set out in 133BXC(3): see Table 2.

RG 281.39 These factors are generally intended to lower the scope and intensity of the inquiries and verification required under s130. However, in some circumstances, a more robust analysis may be required (see examples in Table 2). You should consider these factors holistically, and you may weigh them depending on the individual circumstances of a particular credit application.

Note: See the [Explanatory Memorandum](#) at paragraphs 2.33 and 2.69.

RG 281.40 In addition to the mandatory factors, there may be other relevant factors that you can have regard to when determining what constitutes reasonable inquiries and reasonable steps to verify: see, for example, [RG 209](#) at RG 209.81–RG 209.116.

**Table 2: Mandatory factors to consider as part of 'reasonable' inquiries and verification**

Factor in s133BXC(3)	Description
The nature of the low cost credit contract (including the terms of the contract and the type and amount of credit provided under the contract): s133BXC(3)(a)	<p>The nature of the product includes:</p> <ul style="list-style-type: none"> <li>• the amount of credit made available to the consumer;</li> <li>• the basis on which it is made available;</li> <li>• the repayment amounts;</li> <li>• the number of repayments;</li> <li>• how much time is allowed to make repayments and whether repayments may be adjusted, including any fees;</li> <li>• fees and charges payable under the contract (including interest and default charges) and the circumstances in which they are payable; and</li> <li>• other terms and conditions of the contract.</li> </ul> <p>Note See the <a href="#">Explanatory Memorandum</a> at paragraph 2.70. For example, the nature of the product may indicate that further inquiries and verification steps are required where the product requires large repayment amounts over a relatively short period.</p>
If there is a target market determination (within the meaning of the Corporations Act)—the nature of the target market for the low cost credit contract, as described in that determination: s133BXC(3)(b)	<p>The 'target market' for the product is the class of retail clients described in the target market determination for the product, as required under the design and distribution obligations in Pt 7.8A of the Corporations Act.</p> <p>Low cost credit contract contracts must have a target market determination that satisfies the requirements in s994B of the Corporations Act and it must contain:</p> <ul style="list-style-type: none"> <li>• an appropriate target market such that if the product were issued to a consumer in the target market, it would likely be consistent with their likely objectives, financial situation and needs; and</li> <li>• appropriate distribution conditions that would make it likely that the product is issued to a retail client in the target market.</li> </ul> <p>Note: See Regulatory Guide 274 <i>Product design and distribution obligations</i> (<a href="#">RG 274</a>). An issuer must also take reasonable steps to ensure they distribute the product in accordance with the target market determination.</p> <p>For example, exclusion of higher-risk consumer groups from a target market would be expected to reduce the extent of the steps that need to be taken.</p> <p>Note: See the <a href="#">Explanatory Memorandum</a> at paragraph 2.72.</p>
Whether the consumer is financially vulnerable: s133BXC(3)(c)	<p>This factor is specific to the consumer's personal circumstances. We consider a person to be financially vulnerable if they are experiencing financial difficulty or are at risk of financial difficulty.</p> <p>Signs of financial vulnerability may include the consumer being reliant on Centrelink payments, repeated late payment fees across credit products, the consumer's credit history showing an increasing net debt position with little or no available income to absorb new debt, or signs of family violence and/or financial abuse.</p> <p>You will need to implement measures to help you recognise if a consumer is experiencing financial vulnerability. This could include asking the consumer targeted questions. For existing customers, you could analyse information you hold about them. For new and existing customers, the information obtained from your inquiries into the consumer's income, expenses and other credit liabilities as well as any 'negative' or 'partial' credit checks (as required by reg 28HAD(5)) may assist you.</p> <p>Indicators of financial vulnerability should not have the effect that the consumer is automatically denied credit. However, you may need to make further inquiries and/or verification to determine the extent of these circumstances and whether they are likely to be exacerbated if the consumer enters into the low cost credit contract or the credit limit is increased.</p>



Factor in s133BXC(3)	Description
<p>What procedures you have in place to:</p> <ul style="list-style-type: none"> <li>• reduce the risk of the licensee providing credit to a consumer on terms that are not affordable for the consumer; and</li> <li>• mitigate the harm that may be caused to a consumer if you provide credit to the consumer on terms that are not affordable for them: s133BXC(3)(d)-(e)</li> </ul>	<p>You may have specific procedures, or procedures that while designed for other purposes have the effect of reducing the risk of unaffordable lending or mitigating harms of actual unaffordable lending. These may reduce the level of inquiries and verification steps that need to be taken, depending on the nature and effectiveness of the procedure.</p> <p>'Not affordable' is not defined, but is intended to refer to the circumstances in s131(2)(a) and 133(2)(a), which state that a contract or increased credit limit is unsuitable if the consumer will be unable to comply with their financial obligations, or could only comply with substantial hardship.</p> <p>Note: See the <a href="#">Explanatory Memorandum</a> at paragraph 2.74.</p> <p>Examples of procedures to reduce the risk of unaffordable lending include suspending access to credit if a consumer is in arrears or defaults, undertaking supplementary real-time monitoring of creditworthiness during the contract, or using specific protocols that govern when credit limits are to be increased or decreased. Harm mitigation strategies include your approach to debt collection, hardship applications, and procedures for identifying, engaging with and supporting vulnerable consumers, including consumers who may be experiencing financial abuse.</p> <p>Note: See the <a href="#">Explanatory Memorandum</a> at paragraph 2.75.</p>
Other matters in the regulations: s133BXC(3)(f)	Not applicable.

## What are the rebuttable presumptions for assessments?

- RG 281.41 There are rebuttable presumptions that low cost credit contracts with a credit limit of the prescribed 'threshold amount' of \$2,000 or less (or a threshold prescribed by the regulations) will be:
- 'not unsuitable' in terms of meeting the consumer's requirements and objectives for the purpose of assessing whether the contract is unsuitable at s131(2)(b) (s133BXE); and
  - 'not unsuitable' in terms of meeting the consumer's requirements and objectives for the purpose of the prohibition of entering into an unsuitable contract under s133(2)(b) (s133BXF).
- RG 281.42 The same presumptions apply to any increase to the credit limit of a low cost credit contract, but only if the credit limit of the contract after the increase is \$2,000 or less.
- RG 281.43 The presumptions only apply to your assessment of a consumer's requirements and objectives, not your obligation to make inquiries about their requirements and objectives under s130. You will also still need to assess the consumer's ability to comply with their financial obligations under the contract.
- RG 281.44 The presumptions are rebutted by evidence to the contrary—that is, where there is information that indicates the contract would not meet the requirements and objectives of the consumer.



RG 281.45 For example, the presumptions may be rebutted where:

- (a) a consumer seeks finance for a specific purchase and does not require an ongoing line of credit, but you offer the consumer a continuing credit contract arrangement that anticipates multiple advances of credit; or

Note: See the [Explanatory Memorandum](#) at paragraph 2.84.

- (b) a lay-by or payment of goods by instalment arrangement is available to a consumer, and the consumer has indicated they do not want a credit arrangement and do not want to collect the goods right away.

RG 281.46 The information you collect when making reasonable inquiries and taking reasonable steps to verify, and information you may already hold about the consumer, may indicate that the contract would not meet the requirements and objectives of the consumer and therefore the presumption may be rebutted (e.g. where there is evidence of financial vulnerability or financial abuse, or other information that suggests that the consumer does not understand the features of the product, or the product does not align with their objectives).

RG 281.47 If the presumptions do not apply (i.e. where the credit limit is above \$2,000 or the presumptions have been rebutted for contracts that are \$2,000 or less), you must assess whether it is likely that the contract will meet the consumer's requirements and objectives: see [RG 209](#) at RG 209.215–RG 209.224 for guidance on assessing the consumer's requirements and objectives.

## What about assessments for contracts larger than the initial contract?

RG 281.48 You can make an initial assessment to determine whether a contract is not unsuitable, for a contract with a credit limit that is larger than the low cost credit contract that is being entered into: s133BXD. This allows you to make a point-in-time assessment and provide subsequent credit limit increases to consumers over time, up to the larger amount, without making a new assessment.

RG 281.49 You can satisfy the obligation to make inquiries and verification (s128(d)) and the obligation to make an assessment (s128(c)) for subsequent credit limit increases (known as 'protected increases') if:

- (a) you make inquiries and verification in relation to an amount that is larger than the amount of credit that is initially entered into (the 'larger contract');
- (b) you make an assessment that the larger contract is not unsuitable;
- (c) you subsequently increase the consumer's credit limit up to an amount that is not greater than the larger contract amount;
- (d) the terms of the contract after the increase are substantially the same as they were immediately before the increase; and
- (e) the increase(s) occur within the period covered by the initial assessment or within two years of the assessment date, whichever is shorter.

- RG 281.50 Even if you have satisfied s128 in relation to a protected increase, it is still possible to contravene s133(1) (the prohibition on entering into, or increasing the limit of an unsuitable contract) in relation to the protected increase: see s133BXD(4).

### **Making an initial assessment**

- RG 281.51 If you want to rely on the protected increase provisions, you need to make your inquiries, verification and assessment for the larger contract amount.
- RG 281.52 You need to satisfy yourself that the larger amount would not be unsuitable for the consumer if they entered into a contract for this amount in the period covered by the initial assessment.
- RG 281.53 The period covered by the assessment (known as the ‘protected period’) can be up to two years from when the initial assessment is made, but you may specify a shorter protected period that is appropriate in the circumstances.
- RG 281.54 The information obtained through inquiries and verification will help to inform you about the consumer’s current financial position, requirements and objectives, identify foreseeable changes to their circumstances (e.g. changes to their income, employment or dependent-related expenses such as child support or family tax benefits) and assess whether the credit product will meet what the consumer wants and what effect the new financial obligations will have on them.
- RG 281.55 Where you hold limited information about a consumer (e.g. they are a new customer with no repayment history for any other credit products) or you are aware of a likely foreseeable changes to their circumstances, you may consider adjusting the ‘protected period’ to be shorter than two years and/or reduce the initial limit provided to the consumer to reduce the risk of unaffordable lending.

### **Making a protected increase**

- RG 281.56 After you have entered into an initial contract, you can make an increase to a consumer’s credit limit, known as a ‘protected increase’ if:
- (a) the increase would be no more than the larger contract amount considered in the initial assessment; and
  - (b) the terms of the contract are substantially the same after the increase as they are immediately before it.
- RG 281.57 A protected increase can only be made within the protected period. It must be at the request of the consumer, or with the consumer’s written consent: s67AA of the National Credit Code. While the legislation does not prescribe when the consumer’s consent must be obtained, it may be appropriate that you obtain consent at the time of the protected increase. Doing so may, for example, help to confirm that the consumer’s circumstances have not changed, and reduce the risk of increasing the credit limit of a contract where the contract is unsuitable for the consumer.

RG 281.58 Under s133BXD(5), you cannot make a protected increase if you have information that suggests it would be reasonable to conclude that the increase would be unsuitable for the consumer. In these circumstances, you are required to make new inquiries, verification and a new assessment before offering a limit increase.

RG 281.59 Although you are not required to actively seek additional information to determine if the protected increase will be unsuitable, you cannot disregard information available to you. Certain information that you hold may suggest a protected increase would be unsuitable, for example, if the consumer has recently defaulted, is in arrears or incurring late fees, or has recently requested a hardship arrangement.

Note: See the [Explanatory Memorandum](#) at paragraph 2.82.

RG 281.60 You can also choose to make a new assessment in relation to a protected increase to help you determine whether the increase would be unsuitable for the consumer. If you make a new assessment, you cannot rely on the protected increase provisions: s133BXD(6)(b).

RG 281.61 If you choose to make a protected increase, the terms of the low cost credit contract after the increase must be substantially the same as the terms immediately before the increase. Examples of a term that may change and mean that the contract is no longer substantially the same include an increase in particular fees or a change in repayment frequency.

### Interaction with the rebuttable presumptions

RG 281.62 If the larger contract you are assessing is the same or less than the threshold amount (\$2,000 or an amount prescribed in the regulations), the rebuttable presumptions apply in relation to your requirement to assess the consumer's requirements and objectives at the time of the assessment, as well as for any protected increases.

RG 281.63 This means that there is a presumption that the larger contract and any protected increase up to the threshold amount will:

- (a) meet the consumer's requirements and objectives under s131(2)(b); and
- (b) be presumed to be 'not unsuitable' in terms of meeting the consumer's requirements and objectives for the purpose of s133(2)(b).

RG 281.64 If the larger contract is more than the threshold amount, but the initial contract entered into is equal to or less than the threshold amount:

- (a) the benefit of the presumption for the purpose of s131(2)(b) does not apply both at the time of the assessment when entering the initial contract and any limit increase up to the larger contract amount (s133BXE(3)); and
- (b) the benefit of the presumption for the purpose of s133(2)(b) applies when considering the initial contract and any protected increases under

the threshold amount, but does not apply if the increase is over the threshold (s133BXF(2)).

Note: For guidance on the rebuttable presumptions, see RG 281.41–RG 281.47.

## What are the requirements for an unsuitability assessment policy?

RG 281.65 You must prepare a written policy known as an ‘unsuitability assessment policy’: see Table 3 for a summary of the requirements.

**Table 3: Requirements for an unsuitability assessment policy**

<b>Policy content requirements</b>	<p>The policy must set out processes for ensuring compliance with:</p> <ul style="list-style-type: none"> <li>• your obligation to assess whether a contract or credit limit increase is unsuitable (s128); and</li> <li>• the requirement to assess a contract as being unsuitable in certain circumstances (s131).</li> </ul> <p>You must ensure that, if the policy is followed, it is likely that you would comply with s128 and 131: s133BXG.</p>
<b>Policy review requirements</b>	<p>You must conduct regular reviews of your unsuitability assessment policy.</p> <p>When determining the frequency of review, you should have regard to the purpose of the unsuitability assessment policy in facilitating compliance with s128 and 131: reg 28HAF(2). This means you should review and update the policy when events or circumstances suggest that the policy is no longer effective.</p> <p>As part of the review, you need to:</p> <ul style="list-style-type: none"> <li>• assess whether your policy has been and will continue to be one that, if followed, makes it reasonably likely that you will comply with s128 and 131; and</li> <li>• identify any changes to the policy that would make it more likely to ensure compliance, if followed: reg 28HAF(3).</li> </ul> <p>You must look at evidence that you reasonably believe to be accurate and that provides an appropriate basis for assessing the policy and identifying any changes to the policy that are necessary: reg 28HAF(4).</p> <p>When conducting a review, you should consider, at a minimum, the rates at which debts are being partially or fully written off, measures of the rates of arrears, relevant complaints data (both under internal and external dispute resolution processes), and hardship data.</p> <p>Note: See the <a href="#">Explanatory Statement</a>, p. 11.</p>
<b>Updating the policy</b>	<p>If you identify changes that would better facilitate compliance, you must ensure the policy is revised to incorporate those changes as soon as practicable: reg 28HAF(5).</p> <p>Note: If you identify a breach in the course of reviewing or updating your unsuitability assessment policy, see Regulatory Guide 78 <i>Breach reporting by AFS licensees and credit licensees</i> (<a href="#">RG 78</a>) for guidance on your obligation to report breaches to ASIC.</p>

## D Electing to comply with the modified responsible lending obligations

### Key points

If you want to comply with the modified responsible lending obligations for all or a class of low cost credit contracts, you must make an election.

All low cost credit contracts covered by an election must contain a statement in the contract that you have made an election.

If you do not make an election or you have made a revocation, you must comply with the standard responsible lending obligations.

### What are the requirements for making or revoking an election?

RG 281.66 You can elect to comply with the modified responsible lending obligations for all low cost credit contracts or for a specified class of low cost credit contracts: s133BXA(1).

Note: You can elect to comply with the modified responsible lending obligations for a pre-commencement contract. If you do not make an election in relation to pre-commencement contracts and you increase the credit limit of the contract, you must comply with the standard responsible lending obligations.

RG 281.67 If you offer multiple types of buy now pay later products that are each subject to a different type of low cost credit contract, each of these products could constitute a class of low cost credit contracts. This means that you can make an election for all or only some of your buy now pay later products.

RG 281.68 An election ceases to be in force once it is revoked: s133BXA(5). If you revoke an election or you do not make an election in relation to all or a class of low cost credit contracts, you must comply with the standard responsible lending obligations for these contracts: see [RG 209](#).

RG 281.69 Table 4 sets out the requirements of any elections and revocations.

**Table 4: Requirements for elections and revocations**

Requirement	Description
An election or revocation must be in writing: s133BXA(1) and 133BXA(5).	<p>Any election or revocation must be in writing. An election will apply to contracts entered into after the election is made.</p> <p>Note: If you make an election in relation to pre-commencement contracts, it will apply to any credit limit increases that occur after the election is made.</p> <p>It is important that written records of your elections and revocations (whether in paper form or electronic) are accurate, complete and stored securely so that you can efficiently produce clear records of an election and revocation relating to a specified class of low cost credit contracts.</p>
You must keep a copy of your election or revocation for 6 years: s133BXA(4) and 133BXA(5).	<p>You must keep a copy of the written election starting from the time the election is made and ending at least six years after the date the election ceases to be in force.</p> <p>You must keep a written copy of the written revocation for at least six years from the time the election is revoked.</p> <p>If you stop issuing a class of low cost credit contracts that was covered by an election, you should also keep a copy of the written election for six years after the date that you stopped issuing that class of low cost credit contracts.</p>
Your election and revocations should be clear about timing, intention and scope.	<p>There are no specific content requirements for an election or revocation document. However, to ensure clarity, each written record of an election or revocation should include:</p> <ul style="list-style-type: none"> <li>the date of the election or the revocation;</li> <li>a clear statement that you intend to make an election or revoke an election; and</li> <li>a clear description of the scope of the election or revocation (i.e. the class or classes of low cost credit contracts to which the election or revocation applies).</li> </ul> <p>A revocation document should also clearly indicate which election the revocation relates to (e.g. an identification number or a clear mapping to the class or classes of low cost credit contracts that are in an election).</p>
A contract that is covered by an election must contain a statement that you have made an election: s17(15B) of the National Credit Code.	<p>The contract for all low cost credit contracts covered by your election must contain a statement that you have made an election. For example, the contract may state:</p> <p style="padding-left: 40px;">‘The licensee has complied with the modified responsible lending obligations under Pt 3-2BA of the National Credit Act.’</p> <p>The contract should contain a description of the class of low cost credit contracts it belongs to that can easily be mapped to an election document.</p>

## E Other modified obligations for low cost credit contracts

### Key points

Other key modified obligations for low cost credit contracts relate to:

- electronic disclosure;
- credit representatives;
- comparison rates;
- default notices; and
- contractual requirements.

These modified obligations apply even if you have not elected to comply with the modified responsible lending obligations.

## Electronic disclosure

RG 281.70 Any material required to be given to a person in relation to a low cost credit contract (e.g. a credit contract or information statement) can be made available electronically on an information system (e.g. a webpage, app, email).

RG 281.71 Table 5 sets out the requirements for electronic delivery of materials:

**Table 5: Requirements for electronic delivery of materials**

<b>Notification</b>	<p>You must notify the recipient that materials are available electronically, explaining the nature of the material provided and including any information they need to access the material: s331(2)(a) and 331(3).</p> <p>The notification should be easily visible to the consumer and act as an effective prompt for them to access the relevant materials (e.g. a text message with a link to the relevant webpage).</p>
<b>Method</b>	<p>You must make the materials available in such a way that it is reasonable to expect the recipient will be able to save the materials to an electronic file and print them: s331(2)(c).</p> <p>This means there should be an easy mechanism for the recipient to download material (e.g. as a PDF) so that it can be printed or emailed if needed.</p>
<b>Duration</b>	<p>You must make the materials available for a reasonable period after the notification is sent: s331(2)(b).</p> <p>In determining what is a reasonable period, you should consider relevant factors, such as the nature of the material (e.g. a consumer should be able to access the credit contract for the duration of the contract, or in the case of a default notice, at least until they have made the repayment that is due).</p>

## Credit representatives

- RG 281.72 For credit activities involving low cost credit contracts:
- (a) representatives are only required to be members of the Australian Financial Complaints Authority (AFCA) if they collect repayments from the contracts (s64 and 65);
  - (b) a body-corporate sub-authorising a representative does not need to notify ASIC of that representative (s71); and
  - (c) representatives do not need to give their own credit guide to consumers, only the credit guide of their credit licensee when giving credit assistance, entering into a credit contract or assigning the rights of a credit provider under a credit contract (s158).
- RG 281.73 For more details on obligations related to credit representatives, see Information Sheet 126 *Credit representatives* ([INFO 126](#)).

Note: The amendments apply on or after commencement for authorisations given before, on, or after commencement.

## Comparison rates

- RG 281.74 Advertisements for low cost credit contracts do not need to include comparison interest rates: s157–159 of the National Credit Code.
- RG 281.75 For more guidance on promotion of credit products generally, see Regulatory Guide 234 *Advertising financial products and services (including credit): Good practice guidance* ([RG 234](#)).

Note: The amendments apply to credit advertisements published on or after commencement. A credit advertisement that was initially published before commencement, but continues to be published on or for a period after commencement, is taken to be published on or after commencement.

## Default notices

- RG 281.76 The first time there is any default under a credit contract, you must give the consumer a default notice containing the required information: s87 of the National Credit Code.
- RG 281.77 For low cost credit contracts, ‘defaults’ are not limited to direct debit defaults as for other credit products, but can be any other kind of default (e.g. defaults on the New Payments Platform).
- RG 281.78 A default notice must include the information set out in reg 85(2). To satisfy this obligation, you may use the information in the forms prescribed under reg 85(1) (Credit Form 11 and Credit Form 11A). In particular, you should include the number for the National Debt Helpline.

Note 1: See the [Explanatory Statement](#), p. 12.

Note 2: The amendments apply to a default that occurs on or after commencement.



## Contractual requirements

RG 281.79 Among other requirements in s17 of the National Credit Code, given the nature of low cost credit contracts, the contract must specify:

- (a) the frequency of repayments; and
- (b) the amount and the number of the repayments and the total amount of the repayments (if the amount of the repayments is not ascertainable, the contract must contain the method of calculating the amount of repayments): s17(7A) of the National Credit Code.

RG 281.80 The frequency of payments should include when repayments must be made, starting from the first repayment (if ascertainable) so that the consumer can plan accordingly.

Note: See the [Explanatory Memorandum](#) at paragraph 2.109.

RG 281.81 If no interest is payable under the contract, the contract must specify that no interest is payable: s17(6A) of the National Credit Code.

Note: Contractual disclosure requirements under s17 apply on or after commencement to low cost credit contracts and buy now pay later contracts entered into on or after commencement.

## Key terms

Term	Meaning in this document
AFCA	Australian Financial Complaints Authority
ASIC	Australian Securities and Investments Commission
buy now pay later	An arrangement that allows consumers to buy and receive goods and services immediately from a merchant, and repay a buy now pay later provider over time
buy now pay later arrangement	Has the meaning given in s13D of the National Credit Code
buy now pay later contract	Has the meaning given in s13D of the National Credit Code
buy now pay later provider	An entity that provides buy now pay later arrangements to consumers
commencement	The date that the low cost credit regime commences, 10 June 2025 or an earlier date fixed by proclamation
consumer	A natural person or strata corporation Note: See s5 of the National Credit Act.
consumer lease	A consumer lease to which the National Credit Code applies Note: See s169–171 of the National Credit Code.
continuing credit contract	A credit contract under which multiple advances of credit are contemplated and the amount of available credit ordinarily increases as the amount of credit is reduced Note: See s204 of the National Credit Code.
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
credit	Credit to which the National Credit Code applies Note: See s3 and 5–6 of the National Credit Code.
credit activity (or activities)	Has the meaning given in s6 of the National Credit Act
credit assistance	Has the meaning given in s8 of the National Credit Act
credit assistance provider	A person who provides credit assistance to a consumer in relation to a credit contract or a consumer lease and who is not the credit provider (for a credit contract) or the lessor (for a consumer lease)
credit contract	Has the meaning given in s4 of the National Credit Code
credit licence	An Australian credit licence under s35 of the National Credit Act that authorises a licensee to engage in particular credit activities

Term	Meaning in this document
credit licensee	A person who holds an Australian credit licence under s35 of the National Credit Act
credit provider	Has the meaning given in s5 of the National Credit Act
credit representative	A person authorised to engage in specified credit activities on behalf of a credit licensee or registered person under s64(2) or 65(2) of the National Credit Act
credit service	Has the meaning given in s7 of the National Credit Act
design and distribution obligations	The obligations in Pt 7.8A of the Corporations Act
<a href="#">Explanatory Memorandum</a>	Explanatory Memorandum to the Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Bill 2024
<a href="#">Explanatory Statement</a>	Explanatory Statement to the National Consumer Credit Protection Amendment (Low Cost Credit) Regulations 2025
INFO 285 (for example)	An ASIC information sheet (in this example numbered 285)
low cost credit contract	Has the meaning given by s13E of the National Credit Code
low cost credit contract provider	An entity that provides credit under low cost credit contracts
modified responsible lending obligations	The legal obligations for low cost credit contract providers set out in Pt 3-2BA of the National Credit Act
National Credit Act	<i>National Consumer Credit Protection Act 2009</i>
National Credit Code	National Credit Code at Sch 1 to the National Credit Act
National Credit Regulations	<i>National Consumer Credit Protection Regulations 2010</i>
Privacy Act	<i>Privacy Act 1988</i>
reg 28J (for example)	A regulation of the National Credit Regulations (in this example numbered 28J), unless otherwise specified
regime	The regime that applies to low cost credit contracts as described in this guide
responsible lending obligations	The legal obligations set out in Ch 3 of the National Credit Act
RG 209 (for example)	An ASIC regulatory guide (in this example numbered 209)
s47 (for example)	A section of the National Credit Act (in this example numbered 47), unless otherwise specified
small amount credit contract	Has the meaning given in s5 of the National Credit Act

## Related information

### Headnotes

buy now pay later, credit assistance provider, credit contract, credit licence, credit licensee, credit provider, low cost credit contract, responsible lending

### Regulatory guides

[RG 78](#) *Breach reporting by AFS licensees and credit licensees*

[RG 203](#) *Do I need a credit licence?*

[RG 209](#) *Credit licensing: Responsible lending conduct*

[RG 234](#) *Advertising financial products and services (including credit): Good practice guidance*

[RG 274](#) *Product design and distribution obligations*

### Other ASIC documents

[CP 382](#) *Low cost credit contracts*

[INFO 126](#) *Credit representatives*

[INFO 285](#) *Buy now pay later credit contracts: Credit licensing*

### Legislation

*Corporations Act 2001*, Pt 7.8A, s994B

*National Consumer Credit Protection Act 2009*, Pt 3-2BA, s5–8, 35, 64, 64(2), 65, 65(2), 71, 128, 128(a), 128(aa), 128(ba), 128(c)–(d), 129, 130, 131, 131(2)(a), 131(2)(b), 132, 133, 133(2)(a), 133(2)(b), 133BXA(1), 133BXA(4), 133BXA(5), 133BXB(a), 133BXC, 133BXC(3), 133BXC(3)(a)–(f), 133BXD, 133BXD(4)–(5), 133BXD(6)(b), 133BXE, 133BXE(3), 133BXF, 133BXF(2), 133BXG, 158, 331(2)(a)–(c), 331(3)

*National Consumer Credit Protection Amendment (Low Cost Credit) Regulations 2025*

*National Consumer Credit Protection Regulations 2010*, regs 23, 28B, 28HAC, 28HAD, 28HAD(2), 28HAD(3), 28HAD(4), 28HAD(5), 28HAD(6), 28HAF, 28HAF(2), 28HAF(3), 28HAF(5), 28J, 28RB, 85(1), 85(2)

*National Credit Code*, Pt 10, s3, 4, 5(1)(a), 5(1)(c), 6(1), 6(5), 6(13), 6(14), 6(17), 13B(2)(b), 13C(2), 13D, 13D(1)–(2), 13E, 17, 17(6A), 17(7A), 17(15B), 67AA, 87, 169–171, 204

*Privacy Act 1988*, s6N(k)

*Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Act 2024*