

# ASIC's financial services and credit frameworks – flexibility for new businesses



## ASIC's informal assistance to fintech startups

- We will provide informal guidance and pointers to new, innovative businesses that meet some basic eligibility criteria
- This helps startups to understand their options and think about important regulatory issues early-on
- From March 2015 to November 2016, we provided informal assistance to 104 fintech startups.

## PROVIDING FINANCIAL SERVICES AND/OR CREDIT – YOUR OPTIONS

### GET A LICENCE FROM ASIC

- ◆ You can comply with the law by obtaining your own financial services or credit licence
- ◆ Your obligations once licensed scale up or down depending on:
  - the services you provide
  - the products those services relate to
  - the types of clients you deal with.

### Organisational competence and ASIC discretion

- ◆ Licensees must demonstrate that their 'responsible managers' have the knowledge and skills needed to manage their business
- ◆ ASIC can exercise discretion in how it assesses organisational competence (see Option 5 in our Regulatory Guide 105) and has done so for 21 innovative businesses licensed since March 2015.

OR

### OPERATE AS A REPRESENTATIVE OF A LICENSEE

- ◆ Someone with a licence can authorise you to act as their representative and provide services on their behalf
- ◆ We do not have a preference about whether a business gets a licence or operates as a representative.

OR

### OPERATE UNDER ASIC RELIEF FROM THE LAW

- ◆ ASIC can grant relief from the law for individual businesses or products, or for types of businesses or products
- ◆ ASIC relief can switch off the licensing requirement, or tailor how the law applies
- ◆ We have granted relief relevant to new businesses, including to:
  - allow some unlicensed service testing (the fintech licensing exemption).
  - allow services for low value non-cash payments

### YOUR OBLIGATIONS

To provide financial services and/or credit within the law, you must comply with:

- ◆ The conditions of your licence (if you have one)
- ◆ The laws that apply to you (or your licensee)
- ◆ The conditions on any relief ASIC has given you.