



CEU final compliance report by ASIC

ASIC's final report dated **11 September 2018** on compliance with the s93AA ASIC Act court enforceable undertaking given by **Neo Financial Solutions Pty Ltd** (ACN 141 607 098) (**Neo**) dated **17 August 2016**.

Terms used in this report have the same meaning as in the **17 August 2016** court enforceable undertaking (**CEU**).

Undertakings	Report on compliance
Engagement of Independent Expert CEU paragraphs 3.2 -3.5	<ol style="list-style-type: none">1. Neo requested ASIC approve the engagement of the Independent Expert (IE) substantially within the time required by the CEU, as extended by ASIC.*2. Following ASIC's approval, Neo engaged the IE within the time required by the CEU, as extended by ASIC.
Terms of engagement CEU paragraphs 3.6 – 3.9	<ol style="list-style-type: none">3. The IE's terms of engagement reflected the requirements in paragraphs 3.6 to 3.9 of the CEU.
Initial Assessment and Review Report CEU paragraphs 3.10 – 3.16	<ol style="list-style-type: none">4. Within the times specified in the CEU, the IE:<ol style="list-style-type: none">a. conducted an Initial Assessment of the specific areas of concern identified in ASIC's Letter of Concern (paragraph 3.10(a)); andb. provided Neo and ASIC with an Initial Licensee Review Report (paragraph 3.10(b)).5. Neo implemented the recommendations from the Initial Licensee Review Report into a Licensee Improvement Program within the time specified by the IE (paragraph 3.13).6. Within the time required by the CEU, the IE carried out an Implementation Review of the extent to which Neo had implemented the recommendations set out in the Initial Licensee Review Report (paragraph 3.15(a)).

Undertakings	Report on compliance
	<p>7. Within the time required by the CEU, the IE provided an Implementation Report to Neo and ASIC setting out the outcome of the Implementation Review (paragraph 3.15(b)). The IE found that Neo had implemented the majority of the recommendations made in the Initial Licensee Review Report within the times specified in the Initial Licensee Review Report. Two further recommendations were made for inclusion in Neo's Licensee Improvement Program.</p> <p>8. Within the time required by the CEU, Neo conducted the Licensee Remediation Review for all Remediation Clients (paragraph 3.16).</p>
<p>Remediation Assessment and Report</p> <p>CEU paragraphs 3.17 – 3.20</p>	<p>9. The IE conducted a Remediation Assessment of the effectiveness of the Licensee Improvement Program within the time specified in the CEU (paragraph 3.17(a)).</p> <p>10. The IE provided a Remediation Report to Neo and ASIC within the time specified by the CEU (paragraphs 3.17(b) and 3.18). The report did not identify any deficiencies relating to the input of tasks in the Licensee Improvement Program however, further recommendations were made regarding Neo's remediation program and the remediation requirements of a number of the files tested. The Remediation Report advised that Neo was awaiting this feedback before finalising its remediation and/or compensation of the Remediation Clients under the Licensee Improvement Program.</p>
<p>Final Assessment and Report</p> <p>CEU paragraphs 3.21 – 3.25</p>	<p>11. Within the time specified in the CEU, the IE:</p> <ol style="list-style-type: none"> a. conducted a Final Assessment of the implementation and effectiveness of the compliance and risk management frameworks following the completion of the Licensee Improvement Program and formed a view on Neo's compliance with ss 912A, 961B, 961G,

Undertakings	Report on compliance
	<p>961H, 961J and 961L of the <i>Corporations Act 2001</i> (paragraph 3.21(a)); and</p> <p>b. provided Neo and ASIC with a Final Report setting out the outcome of its Final Assessment (paragraph 3.21(b)). A summary of this report is available on ASIC's CEU Register.</p> <p>12. Neo implemented the recommended enhancements to the Licensee Improvement Program within the time specified by the IE (paragraph 3.23).</p> <p>13. Neo provided ASIC with a written report attesting to compliance with the CEU and detailing all action taken, including remediation outcomes, within the time specified by the CEU (paragraph 3.25).</p>

*Substantial and satisfactory compliance with these paragraphs, as it was one day later than the agreed extended period of 40 days.