



**ASIC**  
Australian Securities &  
Investments Commission

## CEU interim compliance report by ASIC

ASIC's interim report dated **16 May 2019** on compliance with the s93AA ASIC Act court enforceable undertaking (CEU) given by **Commonwealth Financial Planning Limited** and **BW Financial Advice Limited**.

Terms used in this report have the same meaning as in the CEU dated **9 April 2018**, as varied on **20 December 2018**.

Undertakings	Report on compliance
<p><b>Payment of community benefit payment totalling \$3 million</b></p> <p>CEU paragraph 3.2</p>	<ol style="list-style-type: none"><li>1. CFPL has complied with this undertaking. It has made payments in June 2018 totalling \$3 million as follows:<ol style="list-style-type: none"><li>(a) \$1,200,000 to Financial Counselling Foundation</li><li>(b) \$400,000 to Indigenous Consumer Assistance Network</li><li>(c) \$175,000 to COTA</li><li>(d) \$175,000 to National Seniors Australia</li><li>(e) \$175,000 to Seniors Rights Service</li><li>(f) \$175,000 to Dementia Australia</li><li>(g) \$300,000 to Settlement Services International</li><li>(h) \$400,000 to The Ethics Centre</li></ol></li></ol>
<p><b>Appointment of Ernst &amp; Young as independent expert under the CEU to prepare written report on remediation and adequacy of systems and processes</b></p> <p>CEU paragraphs 3.4 to 3.7</p>	<ol style="list-style-type: none"><li>2. CFPL has complied with its undertaking to appoint Ernst &amp; Young as the independent expert under the CEU.</li><li>3. Ernst &amp; Young provided written reports dated 9 July 2018 and 31 January 2019. Due to issues identified by Ernst &amp; Young in its reports and CFPL's failure to provide the required Attestation (below), additional work was required to be completed by CFPL and a further written report from Ernst &amp; Young is expected by 30 May 2019. For further information, see ASIC media release 19-018MR.</li></ol>
<p><b>CFPL to provide Attestation relating to remediation of impacted customers and adequacy of systems and processes by 31 January 2019</b></p> <p>CEU paragraph 3.3</p>	<ol style="list-style-type: none"><li>4. CFPL failed to comply with this undertaking, thereby triggering the further undertaking under paragraph 3.8C of the CEU (below). For further information, see ASIC media release 19-018MR.</li></ol>

Undertakings	Report on compliance
<p data-bbox="204 152 427 253"><b>CFPL to provide Action Plan and Progress Reports</b></p> <p data-bbox="204 286 472 353">CEU paragraphs 3.8A and 3.8B</p>	<p data-bbox="507 170 1066 203">5. CFPL has complied with this undertaking.</p>
<p data-bbox="204 405 464 801"><b>CFPL to immediately take all necessary steps to cease charging ongoing service fees and not enter into any new ongoing service arrangements if Attestation not provided by 31 January 2019</b></p> <p data-bbox="204 835 456 869">CEU paragraph 3.8C</p>	<p data-bbox="507 416 1369 645">6. CFPL is complying with this undertaking. CFPL has also informed ASIC that it is now in the process of transitioning its ongoing service model to one whereby customers are only charged fees after the relevant services have been provided. For further information, see ASIC media release 19-018MR.</p>