

TOYOTA FINANCE AUSTRALIA LIMITED

7 August 2019

Ashley Brown
Senior Advisor
Strategic Policy
Australian Securities and Investments Commission

By email: product.regulation@asic.gov.au

Dear Ashley,

CONSULTATION PAPER 313 – PRODUCT INTERVENTION POWER

Toyota Finance Australia Limited (TFA) is pleased to provide feedback on ASIC's Consultation Paper 313 (CP313) and Draft Regulatory Guide 000 (RG000).

About TFA and its products

TFA is a wholly owned subsidiary of Toyota Financial Services Corporation of Japan (TFSC), which is itself a wholly owned subsidiary of Toyota Motor Corporation of Japan (TMC). TFA was the first overseas finance company established by TMC in 1982 to support the sale of Toyota vehicles in Australia. TFA is an integral part of Toyota in Australia, partnering with Toyota Motor Corporation Australia Limited (TMCA) in the sale and financing of Toyota and Lexus vehicles by dealerships throughout Australia.

TFA offers consumer and commercial secured loans to retail customers, as well as wholesale finance and insurance facilities to dealerships. TFA is the first choice financier for 99% of Toyota dealerships and 100% of Lexus dealerships. TFA also supports its multi franchise Toyota dealers in the sale and financing of non-Toyota vehicles.

TFA's position

TFA supports the majority of ASIC's proposed position. We believe that the product intervention power (PIP) will enable ASIC to act more swiftly to prevent instances of significant consumer detriment. Overall, TFA has no concerns about how ASIC proposes to assess consumer detriment and believes that the proposed guidelines in RG000 are appropriate.

However, TFA encourages ASIC to consult with firms privately prior to making a product intervention order, notwithstanding the provisions of paragraph RG 000.65 to consult with affected parties by publication of the consultation document on your website. This will provide clarity to all stakeholders and confidence in the rationale for the issue of the proposed intervention order and the significant consumer detriment that it is designed to address.

Such consultation will reassure firms and affected customers that the regulator is committed to working cooperatively with stakeholders before exercising this significant power.

TFA has no further comments, as it supports the balance of the proposed regulatory guide.

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We would be happy to discuss our submission with ASIC at its convenience.

Yours faithfully,

TOYOTA FINANCE AUSTRALIA LIMITED

A Hopkins

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