



ASIC
Australian Securities &
Investments Commission

REGULATORY GUIDE 1

Applying for and varying an AFS licence

June 2025

About this guide

This guide is for applicants applying for an AFS licence or to vary their licence.

You can use this guide to help you understand ASIC's approach to assessing AFS licence applications and to prepare the information and documentation you will need to provide as part of the application process.

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 June 2025 and is based on legislation and regulations as at the date of issue.

Previous versions:

- Superseded Regulatory Guide 1, issued June 2022, November 2007, January 2008, May 2010, June 2012, July 2014, July 2015, August 2016, September 2017, April 2020, January 2021 and December 2021
- Superseded AFS Licensing Kit Part 1, issued February 2002 (version 1), updated October 2002 (version 2), April 2003 (version 3), October 2003 (version 4), March 2004 (version 5) and September and December 2004 (version 6), revised November 2005 (version 7), rebadged as a regulatory guide July 2007
- *How do you get an Australian financial services licence?—Process guideline*, issued October 2001

This guide will also replace RG 2 and RG 3.

Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations 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 want to run a financial services business, you generally need an Australian financial services (AFS) licence: see RG 1.5–RG 1.11.

To apply for an AFS licence or vary an existing AFS licence, you must lodge an application online through the [ASIC Regulatory Portal](#). You must also pay the application fee when you lodge your application with ASIC.

What this guide is about

- RG 1.1 This guide is for people or entities applying for an AFS licence or varying their existing AFS licence.
- RG 1.2 It is also relevant for foreign financial service providers applying for or varying a foreign AFS licence.
- RG 1.3 It provides an overview of our approach to assessing AFS licence applications and explains the information and documentation we will require you to provide as part of the application process.
- RG 1.4 For more information about the changes we have made to how you register through the [ASIC Regulatory Portal](#) and apply for or vary an AFS licence, see the [AFS Licensing Kit](#) webpage and Information Sheet 294 *FAQs: AFS licence applications* ([INFO 294](#)).

What is an AFS licence?

- RG 1.5 AFS licences are regulated under the *Corporations Act 2001* (Corporations Act) and authorise you and your representatives to provide financial services.
- RG 1.6 If you carry on a financial services business, you must hold an AFS licence, unless you are exempt or are authorised to provide those services as a representative of another person who holds an AFS licence.
- RG 1.7 The requirements you must meet before we can grant you a licence are set out in s913B.

Note: In this guide, references to sections (s) are to the Corporations Act, unless otherwise specified. You can find a copy of the Corporations Act on the [Federal Register of Legislation](#).

ASIC's role in assessing applications for AFS licences

- RG 1.8 ASIC assesses applications for AFS licences as part of our role as regulator of the financial services industry. When we assess a licence application, we consider whether:
- (a) you are competent to carry on the kind of financial services business you are applying for (see s912A(1)(e));
 - (b) you have sufficient financial resources to carry on the business you are proposing (see s912A(1)(d)), unless:
 - (i) you're regulated by the Australian Prudential Regulation Authority (APRA); or
 - (ii) you are a foreign financial services provider under [*ASIC Corporations \(Foreign Financial Services Providers—Foreign AFS Licensees\) Instrument 2020/198*](#) and are applying for a foreign AFS licence;
 - (c) you have adequate risk management systems (see s912A(1)(h)), unless you're a body regulated by APRA;
 - (d) the people associated with your licence are able to satisfy the requirement in s913BA (fit and proper person test);
 - (e) you have a dispute resolution system (see s912A(1)(g) and (2)) and adequate compensation arrangements (see s912B), if you will be providing financial services to retail clients; and
 - (f) you can meet your other obligations as a licensee if we grant you a licence.
- RG 1.9 You can also apply to vary your AFS licence. If your financial services business changes (e.g. you want your AFS licence to cover more financial services and products), you will need to apply to vary your licence. When we assess a variation application, we consider whether:
- (a) you have the capacity and are competent to provide the additional financial services or products you have asked to be authorised for; or
 - (b) changing your other conditions (i.e. non-financial services or product authorisations) is appropriate.
- RG 1.10 When you operate under an AFS licence, it means that:
- (a) you must meet the licensee requirements under the Corporations Act; and
 - (b) if something goes wrong, consumers have protections under the law.
- RG 1.11 In addition to assessing standard AFS licence applications, ASIC assesses applications for foreign AFS licences from foreign financial services providers and limited financial services licences. For more information on these two types of licences, see RG 1.12–RG 1.16.

Foreign financial services provider

- RG 1.12 Generally, you can only apply for a foreign AFS licence if:
- (a) the financial services are provided only to wholesale clients; and
 - (b) the financial services only involve financial products that have been assessed as sufficiently equivalent for the relevant overseas regulatory regime referred to in [ASIC Corporations \(Foreign Financial Services Providers—Foreign AFS Licensees\) Instrument 2020/198](#) or an individual relief instrument provided on substantially the same terms as this instrument.
- RG 1.13 The application process for a foreign AFS licence is streamlined in recognition of the applicant's existing authorisation to provide the relevant financial services in a sufficiently equivalent overseas regulatory regime.
- RG 1.14 Regulatory Guide 176 *Foreign financial services providers* ([RG 176](#)) explains when a foreign financial services provider is eligible to apply for a foreign AFS licence and other relief available.
- RG 1.15 A foreign AFS licensee is also exempt from certain provisions in Ch 7 of the Corporations Act: see Table 3 in [RG 176](#). However, under this modified AFS licensing regime, a foreign AFS licensee must still comply with:
- (a) all other applicable provisions under the Corporations Act; and
 - (b) the applicable conditions on their foreign AFS licence and the *Corporations Regulations 2001* (Corporations Regulations).

Note: In this guide, references to regulations (reg) are to the Corporations Regulations, unless otherwise specified.

Limited financial services provider

- RG 1.16 A limited financial services licence may authorise you to provide one or more of the following limited financial services:
- (a) provide financial product advice about interests in a self-managed superannuation fund (SMSF) or a holder's existing interest in a superannuation product;
 - (b) provide class of product advice on any of the following:
 - (i) superannuation products;
 - (ii) securities;
 - (iii) simple managed investment schemes;
 - (iv) general insurance products;
 - (v) life risk insurance products; and
 - (vi) basic deposit products;

- (c) arrange for another person to deal in an interest in an SMSF.

Note: 'Limited financial services' is defined in regs 7.8.12A(4) and 7.8.14B(3) of the Corporations Regulations. You can find a copy of the Corporations Regulations on the [Federal Register of Legislation](#).

Trans-Tasman mutual recognition

- RG 1.17 If you are a 'financial adviser' under the *Financial Markets Conduct Act 2013* of New Zealand, you can apply for an AFS licence in Australia requesting authorisations similar to those held under your New Zealand licence (see s18 of the *Trans-Tasman Mutual Recognition Act 1997* (TTMR Act)). While you will need to meet all of ASIC's AFS licence application requirements, you can rely on your New Zealand education and experience to meet the competency requirements discussed in Regulatory Guide 105 *AFS licensing: Organisational competence* ([RG 105](#)).

Types of applicants

- RG 1.18 Licence applications can be made by:

- (a) a natural person;
- (b) a body corporate;
- (c) a partnership; or
- (d) a multiple trustee entity.

Individual

- RG 1.19 You can apply for a licence as a natural person. You cannot apply using your business name.

Trusts

- RG 1.20 An AFS licence cannot be held by a trust. If you are the trustee(s) of a trust (e.g. a family, business or private trust), you must apply in your own name(s) and not in the name of the trust. For example, you should apply in the name of 'John Smith' or 'ABC Pty Ltd', or 'The Trustees of ABC Trust' (if there is more than one trustee), and not as 'ABC Trust'.

Sole trustee of a trust

- RG 1.21 If you are a body corporate acting as sole trustee of a trust that is seeking to be licensed, you need to apply as a body corporate applicant and provide details about your body corporate. An AFS licence cannot be held by a trust. For a trust established in Australia, the ACN or ABN entered into the application must be in the name of the body corporate trustee—for example, 'XYZ Pty Ltd as trustee of ABC Trust'. The ACN or ABN cannot be in the name of the trust.

- RG 1.22 If you are a natural person acting as sole trustee of a trust, you need to obtain an ABN in your own name. That is, the ABN cannot be held in the name of ‘The Trustee of ABC Trust’.

Multiple trustees of a trust

- RG 1.23 Where a trust has two or more trustees, the trustees of the trust are together a notional person that can apply for an AFS licence. This notional person must apply using its own ABN (e.g. the ABN must be held in the name ‘The Trustees of ABC Trust’).

Body corporate

- RG 1.24 If you are a body corporate, your application will need to include the body corporate’s registered name and address of each director and secretary: see reg 7.6.03(a).

Partnership

- RG 1.25 If you are a partnership seeking to be licensed, you need to apply as a partnership applicant and provide details about your partnership.
- RG 1.26 If you are a partnership made up of the trustees of two or more trusts, you need to apply as a partnership applicant and provide details about your partnership. An AFS licence cannot be held by a trust. The ABN, if the partnership holds one, entered into the application must be the partnership’s ABN.

AFS licence number

- RG 1.27 If ASIC grants you a licence, you will be given a unique licence number. If you already hold an Australian credit licence, your AFS licence number will be the same as your Australian credit licence number: see s913C.

APRA-regulated bodies

- RG 1.28 If you are a body regulated by APRA, you will need to provide details of your APRA registration or your application to be an APRA-regulated body in your AFS licence application.
- RG 1.29 If you are an APRA-regulated body, or are applying to be an APRA-regulated body and relying on obtaining APRA approval for your AFS licence, you will not need to provide information about financial, technological and human resources or your risk management systems. This is designed to reduce duplication between the two regimes.
- RG 1.30 If you are relying on being an APRA-regulated body, we will not issue your AFS licence until your APRA approval is obtained.

- RG 1.31 If you are, or are applying to be an APRA-regulated body, and you are applying to ASIC to operate a registered managed investment scheme, you will still need to provide information to demonstrate adequate resources to operate a registered managed investment scheme. For more details, see Information Sheet 86 *How do RSE and AFS licensing application processes work together?* ([INFO 86](#)).

Market or clearing participant

- RG 1.32 In the application, you will be asked if you are a participant of:
- (a) a licensed market (i.e. a financial market covered by an Australian market licence); and/or
 - (b) a licensed clearing and settlement (CS) facility (i.e. a CS facility covered by an Australian CS facility licence).

Note: A 'participant' in a CS facility is defined in s768A(3) and (4). A 'participant' in a financial market is defined in s767A(4) and (5).

- RG 1.33 If you are or intend to be a market participant, and you appoint a wholly owned entity as a nominee to:
- (a) hold financial products or a beneficial interest in a financial product that you acquire or will dispose of on a financial market; and
 - (b) these financial products will be held on trust for or on behalf of a client of you as the licensee; then
 - (c) you will be subject to a condition making you liable for the nominee's conduct in relation to that financial service: see reg 7.6.01(1)(v).
- RG 1.34 If your business as a market participant is solely as a principal trader (i.e. trading on your own behalf), you are likely to need the financial service authorisations for making a market and dealing. You can select the relevant authorisations in the application.

B Your financial services business and AFS licence authorisations

Key points

Understanding your financial services business and selecting the relevant licence authorisations is one of the most important steps in applying for a licence.

Your authorisations determine the financial services you can provide under your licence and the financial products those services may relate to. The authorisations also affect the obligations you will have as a licensee.

This section gives an overview of the financial services and financial product authorisations available under an AFS licence. It also refers you to other information that may help you consider which authorisations you may need for your proposed financial services business.

We also explain that if your financial services business changes, you need to apply to vary your AFS licence.

Understanding your financial services business

- RG 1.35 It is important to understand whether the business activities you propose to undertake are financial services that require you to hold an AFS licence.
- RG 1.36 You will need to provide details about your business activities and how you intend to operate including:
- (a) the financial services and products you will provide—for example:
 - (i) if you will be operating a registered managed investment scheme, the types of asset(s) the scheme will hold (e.g. whether you will issue stapled securities or operate as a hedge fund); and/or
 - (ii) if you will be dealing in or advising on derivatives or foreign exchange contracts, the particular products this will involve (e.g. exchange traded options, OTC transactions, trading warrants, contracts for difference);
 - (b) how you will generate income from providing financial services and products (e.g. whether you will charge a fee-for-service, receive commissions, use a buy–sell spread);
 - (c) the proportion of your total income that you estimate each type of financial service and product will generate;
 - (d) forecasts of your anticipated business growth;
 - (e) whether you will provide services to retail and/or wholesale clients;

- (f) if you are a product issuer, the distribution channels you will use to distribute your products (e.g. authorised representatives, other AFS licensees);
- (g) how you will deliver those financial services and products to your clients (e.g. through a call centre, face-to-face meetings, internet);
- (h) whether your business will operate in Australia and/or other countries, and how you will supervise and monitor compliance with your licence obligations; and
- (i) whether any financial service-related functions are outsourced, and if so, who will perform these functions, and in which locations.

RG 1.37 We recommend that you include appropriate diagrams setting out your business model, significant entities supporting the delivery of your financial services and products (including related and unrelated entities you will have contractual arrangements with to provide any material outsourced services), and relevant transaction and money flows. This will help us to better understand your business model and how you intend to operate your financial services business.

RG 1.38 The matters at RG 1.36 are also relevant if you are an existing AFS licensee intending to expand the financial services and products you provide or the types of clients you service (e.g. retail clients). If so, it is likely you will need to apply to vary your licence.

Understanding your clients

RG 1.39 The Corporations Act has two types of clients you can provide your financial service to—*retail clients* and/or *wholesale clients*: see s761G and 761GA.

RG 1.40 Under s761G(4), a financial product or financial service is taken to be provided to a person as a retail client unless that person is classified as a wholesale client.

Note: There are different tests for determining a wholesale client, see s761G and 761GA and Div 2 of Pt 7.1 of the Corporations Regulations. For example, a professional investor such as an AFS licensee may be a wholesale client, see s761G(7)(d).

RG 1.41 It is extremely important to know whether you will be providing your financial services or products to retail or wholesale clients. This is because different licensee obligations will apply. For example, if you have retail clients, you will need to have internal and external dispute resolution arrangements and have adequate compensation arrangements: see Pro Forma 209 *Australian financial services licence conditions* ([PF 209](#)).

RG 1.42 Dispute resolution systems for handling retail client complaints must consist of internal dispute resolution processes and membership of the Australian

Financial Complaints Authority (AFCA). For guidance on the standards and requirements approved by ASIC, see Regulatory Guide 271 *Internal dispute resolution* ([RG 271](#)). AFCA is not a government department or agency. Its role is to help consumers and small businesses resolve their complaints with financial firms. ASIC has oversight of AFCA: see Regulatory Guide 267 *Oversight of the Australian Financial Complaints Authority* ([RG 267](#)).

- RG 1.43 If an AFS licensee provides a financial service to a retail client, the licensee must have arrangements for compensating retail clients for loss or damage suffered because of breaches of the relevant obligations under Ch 7 of the Corporations Act by the licensee or its representatives. Unless ASIC approves alternative arrangements, or the applicant is exempt (see reg 7.6.02AAA(3)), the licensee must hold adequate professional indemnity (PI) insurance which takes into account the nature of the financial services business and the potential liability for compensation claims. For more information about the minimum requirements for adequate PI insurance, see Regulatory Guide 126 *Compensation and insurance arrangements for AFS licensees* ([RG 126](#)).
- RG 1.44 Some applicants, such as principal traders, have told us that they do not have clients. If you believe that you do not have clients, you should select ‘wholesale clients’ in your application.

AFS licence authorisations

- RG 1.45 It is important that your financial services business holds the appropriate licence authorisations. This is because the licence authorisations affect:
- (a) whether you are licensed or unlicensed to provide particular financial services;
 - (b) who you can provide financial services to;
 - (c) the obligations you will have as a licensee; and
 - (d) whether you can use certain restricted terms (e.g. ‘stockbroker’, ‘insurance broker’).
- RG 1.46 You need to carefully consider all the activities you propose to undertake to determine whether they are financial services, and if so, which authorisations you will require. You may not need to be authorised to provide the same financial services for each product. Similarly, you may want to provide different financial services to retail or wholesale clients. If you don’t have the appropriate licence authorisations, you may be providing unlicensed financial services. This may mean you cannot enforce claims against your clients (see s925E), and you risk ASIC taking regulatory action against you, which may result in civil and criminal sanctions.

- RG 1.47 You should only apply for authorisations that cover the financial services and products that you intend to provide if a licence is granted. Applying for authorisations just in case you might want them may increase the application fee, may impose additional industry funding levies, and may increase the time it takes for ASIC to assess your application.

Note: We may cancel your AFS licence if you do not provide a financial service covered by your licence within six months of the licence being granted (see s915B). You must notify us if you fail to provide a financial service within this time.

- RG 1.48 For examples of the financial services authorisations that an AFS licence applicant may seek by reference to particular business models or activities, see Table 2 in the appendix.

Financial services

Provide financial product advice

Types of financial product advice

- RG 1.49 If you intend to make a recommendation or a statement of opinion about financial products, you will generally need to apply for an authorisation to provide financial product advice. Financial product advice comprises:

- (a) *personal advice*—this is defined in s766B(3). Generally, you will be giving personal advice if you have considered, or a reasonable person might expect you to have considered, one or more of the client's objectives, financial situation and needs;
- (b) *general advice*—this is defined in s766B(4). It covers all financial product advice that is not personal advice; or
- (c) *class of product advice*—this is defined in s910A and reg 7.6.04(3) as financial product advice about a class of products that does not include a recommendation about a specific product in the class.

- RG 1.50 For more information on financial product advice and the distinction between personal and general advice, see Regulatory Guide 36 *AFS licensing: Financial product advice and dealing* ([RG 36](#)) and Regulatory Guide 175 *AFS licensing: Financial product advisers—Conduct and disclosure* ([RG 175](#)).

- RG 1.51 You can apply for one or more of the following financial product advice authorisations:

- (a) *Provide financial product advice*—This authorisation covers both personal and general advice. If you wish, you can limit this authorisation at a product level to only retail clients or wholesale clients. For example, you can choose to provide financial product advice about securities to only retail clients, and separately provide financial product advice about

derivatives to only wholesale clients. You can also combine the provision of personal and general product advice for various financial products (e.g. managed investment schemes).

- (b) *Provide general financial product advice only*—This authorisation only covers the provision of general advice (i.e. it does not cover personal advice). You can limit this authorisation at a product level to only retail clients or wholesale clients.
- (c) *Provide general financial product advice only to wholesale clients*—This authorisation covers the provision of general advice to only wholesale clients (i.e. it does not cover personal advice or general advice to retail clients).

Deal in a financial product

Types of dealing services

- RG 1.52 If you intend to provide dealing services in financial products, you will generally need to apply for one or more authorisations to provide dealing services. *Dealing* in a financial product is defined in s766C. You will be dealing if you do any of the following, either as principal or as an agent of another person:
- (a) apply for, acquire, issue, vary or dispose of a financial product; or
 - (b) in relation to securities or managed investment interests, underwrite the securities or interests.
- RG 1.53 The terms *acquire*, *dispose* and *issue* are defined in s9 and 761E.
- RG 1.54 *Arranging* for a person to engage in certain conduct, such as issuing, applying for, or acquiring a financial product, constitutes dealing unless:
- (a) the actions concerned amount to providing financial product advice (see s766C(2)); or
 - (b) the conduct is exempt from the definition of dealing—for example, if the clerks and cashiers exemption applies (see s766A(3)).
- RG 1.55 For more information on the meaning of ‘dealing in a financial product’ and ‘arranging’, see Sections C and D of [RG 36](#).
- RG 1.56 You can apply for one or more of the following dealing authorisations:
- (a) *Issue, apply for, acquire, vary or dispose of a financial product*—This authorisation generally applies to product issuers, such as responsible entities, life companies, fund managers and general insurers. However, it can apply to anyone who wants to provide any of these types of dealing services as principal or as an agent.

- (b) *Apply for, acquire, vary or dispose of a financial product on behalf of another person*—This authorisation generally applies to anyone who acts on behalf of another person (e.g. a consumer or investor) to apply for, acquire or dispose of a financial product.
- (c) *Underwrite an issue of securities and/or interests in managed investment schemes*—This authorisation generally applies to anyone who underwrites an issue of securities (including securities in a corporate collective investment vehicle (CCIV)) and/or interests in managed investment schemes (including both registered schemes and unregistered schemes such as an investor directed portfolio service (IDPS)).
- (d) *Arrange for another person to:*
 - (i) *issue, apply for, acquire, vary or dispose of a financial product*—This authorisation generally applies to anyone who is arranging for a product issuer to sell, vary or dispose of a financial product;
 - (ii) *apply for, acquire, vary or dispose of a financial product*—This authorisation generally applies to anyone who is arranging for another person (e.g. an investor) to apply for, acquire, vary or dispose of a financial product; or
 - (iii) *underwrite an issue of securities and/or interests in managed investment schemes.*

Make a market

- RG 1.57 *Makes a market* is defined in s766D. You will be making a market if you regularly quote prices at which you will buy or sell financial products, and other persons could reasonably expect to be able to regularly sell to you, or buy from you, financial products at the prices you have quoted.
- RG 1.58 An authorisation to make a market is generally used in relation to activities involving the buying and selling of foreign exchange contracts, derivatives, bonds and debentures, carbon credits and securities.

Tip: Consider other related authorisations you may need

If you are making a market, you are likely to also be providing other financial services. For example, you should consider whether you need to be authorised to deal in a financial product (e.g. to issue and acquire a financial product).

If you are making a market for over-the-counter (OTC) products (e.g. OTC derivatives), you should also consider whether you need to be authorised to provide financial product advice (e.g. if you will be providing general advice about OTC derivatives).

Operate a registered scheme

- RG 1.59 If you intend to operate a managed investment scheme to accept retail investors, or you intend to carry on a business promoting managed investment schemes, you:
- (a) will need to register the managed investment scheme with ASIC (see s601EB);
 - (b) must be a registered Australian public company and act as the responsible entity of the registered scheme (see s601FA);
 - (c) will need to apply for authorisations to operate the registered managed investment scheme and to provide other relevant financial services such as dealing and advice in relation to the scheme and its underlying assets; and
 - (d) will generally not need to apply for an authorisation to provide a custodial or depository service (see the exception in s766E(3)(b)).

Registered scheme authorisations

- RG 1.60 You can apply to operate a registered scheme by either:
- (a) limiting the scheme to a particular named scheme; or
 - (b) seeking an authorisation to operate a scheme of a particular asset kind (e.g. direct real property, derivatives or financial assets).
- RG 1.61 ASIC will generally grant a new responsible entity an *Operate registered scheme* authorisation limited to a particular named scheme. As your business grows, you may wish to register additional named schemes or lodge a variation application to not name the schemes.

Asset kind—Registered scheme

- RG 1.62 If you can demonstrate a problem-free experience operating named schemes for at least two years, you may wish to apply to operate schemes of a particular asset kind.
- RG 1.63 Whether ASIC will grant you an asset kind scheme authorisation will depend on a range of factors including the competence and capacity of your responsible managers, your experience operating named schemes, and resources. We may also seek other information we consider relevant to your particular circumstances: see Section D of [RG 105](#).
- RG 1.64 The benefit of holding a particular asset kind scheme authorisation is you won't have to apply to vary your AFS licence again if you later wish to register a new scheme of that particular asset kind.

RG 1.65 You can apply to operate an asset kind scheme for the following asset kinds:

- (a) *Derivatives*—This covers schemes that hold derivatives for hedging or other purposes, other than as incidental property.
- (b) *Direct real property*—This includes listed property trusts, serviced strata schemes and stable property trusts or syndicates.
- (c) *Film schemes*—This covers schemes with the sole purpose of producing and/or exploiting a cinematograph film (as defined in the *Copyright Act 1968*).
- (d) *Financial assets*—This covers schemes that hold cash, cheques, orders for payment of money, bills of exchange, promissory notes, securities, deposit products and interests in managed investment schemes, but does not include derivatives.
- (e) *IDPS-like*—This covers IDPS-like services provided through a registered scheme under Ch 5C of the Corporations Act. For more information, see Regulatory Guide 148 *Platforms that are managed investment schemes and nominee and custody services* ([RG 148](#)).
- (f) *Mortgages*—This covers both pooled mortgage schemes and contributory mortgage schemes. For more information, see Regulatory Guide 144 *Mortgage investment schemes* ([RG 144](#)).
- (g) *Primary production*—This covers aquaculture, cattle breeding, forestry, horse breeding, horticulture, livestock grown for fleece, ratites (ostriches/emus), tea trees, viticulture or other specialised schemes.
- (h) *Time-sharing schemes*—For more information, see Regulatory Guide 160 *Time-sharing schemes* ([RG 160](#)).
- (i) *Commodities*—This covers schemes that hold raw materials, metals (including precious metals), agricultural products and energy products, but does not include financial assets, derivatives, crypto-assets or primary production schemes.
- (j) *Crypto-assets*—This covers schemes that invest in, or provide direct exposure to, crypto-assets that are not financial products. For more information, see Information Sheet 225 *Crypto-assets* ([INFO 225](#)).

Note 1: For the definition of crypto-asset, see the key terms at the end of this guide.

Note 2: As outlined in INFO 225, we expect that, for crypto-assets that are not financial products, you will select the asset kind ‘crypto-asset’ when seeking authorisation to operate a registered managed investment scheme.

- (k) If the nature of the asset kind(s) is novel (i.e. it does not fit within the categories above) and we are prepared to grant you an authorisation, we will grant you a tailored authorisation.

Tip: Consider other related authorisations you may need

When you operate a registered scheme, you will generally also be dealing (e.g. issuing interests in the scheme and dealing in scheme assets that are financial products). Most applicants who apply to operate a registered scheme will also need the dealing authorisation to apply for, acquire, vary or dispose of financial products (as principal or agent): see s766C(1).

You should consider how you will distribute interests in the registered scheme and whether you need to be authorised to provide financial product advice. If you do not apply for financial product advice authorisations, you may be asked during the assessment to provide details about your proposed activities, including proposed distribution arrangements for interests in the registered scheme, so we can understand whether a financial product advice authorisation is required.

- RG 1.66 You don't need a specific authorisation for an asset held as 'incidental property'. This involves holding certain assets necessary or incidental to the operation of your registered scheme that are a small proportion of assets of the scheme, as well as certain liquid financial assets held for a short period, and derivatives and foreign exchange contracts that are derivatives under s761D for certain limited purposes: see the definition of 'incidental property' in [PF 209](#).

When to register your scheme(s)

- RG 1.67 ASIC will not accept lodgement of your scheme documents for registration before you receive a draft licence authorising you to operate the named scheme or schemes of that asset kind. After you receive your draft licence, you have up to four months to register your scheme. For a named scheme authorisation, we can grant your licence and register the named scheme on the same day.
- RG 1.68 For more information about registered schemes, see [How to register a managed investment scheme](#) on the ASIC website.

Licence authorisation for unregistered schemes

- RG 1.69 If you are intending to operate an unregistered managed investment scheme, you are likely to need authorisations to:
- (a) deal by issuing, applying for, acquiring, varying or disposing in financial products (to issue interests in the scheme and deal in scheme assets that are financial products);
 - (b) provide a custodial or depository service (this may also be as an incidental provider); and

Note: See Regulatory Guide 166 *AFS licensing: Financial requirements* ([RG 166](#)) and *ASIC Corporations (Financial Requirements for Custodial or Depository Service Providers) Instrument 2023/648*.

- (c) if relevant, provide financial product advice.

Note: For more information, see Information Sheet 251 *AFS licensing requirement for trustees of unregistered managed investment schemes* ([INFO 251](#)).

- RG 1.70 Unregistered managed investment schemes include IDPS and managed discretionary account (MDA) services covered by ASIC relief: see Regulatory Guide 179 *Managed discretionary accounts* ([RG 179](#)) and [ASIC Corporations \(Managed Discretionary Account Services\) Instrument 2016/968](#). If you intend to provide IDPS and MDA services, you are likely to need the financial service authorisation for dealing and, if relevant, for advising and/or providing a custodial or depository service: see RG 1.85, RG 1.86 and RG 1.116.

Operate a CCIV

- RG 1.71 If you intend to operate the business and conduct the affairs of a CCIV, you will need to be appointed as a corporate director of the CCIV.
- RG 1.72 You must be a public company that holds an AFS licence authorising you to operate the business and conduct the affairs of the CCIV: see s1224F. This requirement applies whether the CCIV is a retail CCIV or a wholesale CCIV.

Choosing what type of CCIV you will operate

- RG 1.73 To operate the business and conduct affairs of a CCIV, you will need an authorisation for a:
- (a) retail CCIV; and/or
 - (b) wholesale CCIV.

Limit on operations of retail CCIVs

- RG 1.74 If you are a new applicant and you intend to operate a retail CCIV, you will generally be subject to a licence condition limiting your operations to one retail CCIV with a single sub-fund (limiting condition) unless you can demonstrate that you have the organisational competence and the capacity (i.e. the compliance systems and available financial, technological and human resources) to operate multiple CCIVs and multiple sub-funds.

Note: For more information, see Section D of [RG 105](#).

- RG 1.75 If you subsequently wish to operate multiple CCIVs and multiple sub-funds, you can apply to vary your AFS licence to remove the condition. You would need to demonstrate a problem-free experience and satisfy us that you have the competence and capacity to operate multiple CCIVs and multiple sub-funds.

CCIV asset types

- RG 1.76 All CCIV assets must be allocated to a sub-fund, which must be operated as a separate business. Although we authorise the operation of a CCIV, we do so on the basis that each sub-fund has assets that are within the asset type(s) you are authorised to hold as a CCIV. You must ensure that the CCIV will not hold any assets that are not permitted by the authorisations of your AFS licence.

Note: If you hold assets that are only ‘incidental property’, you do not need to select an asset type for such assets.

RG 1.77 You can apply for an authorisation to hold the following types of assets as a CCIV:

- (a) *Commodities*—This covers sub-funds of a CCIV that hold raw materials, metals (including precious metals), agricultural products and energy products, but does not include financial assets, derivatives, crypto-assets or primary production sub-funds.
- (b) *Crypto-assets*—This covers sub-funds of a CCIV that invests in, or provides exposure to, crypto-assets which are not financial products.

Note 1: For the definition of crypto-asset see the key terms at the end of this guide.

Note 2: We expect that, for crypto-assets that are not financial products, you will select the 'crypto-asset' asset type when seeking authorisation to operate the business and conduct the affairs of a CCIV.

- (c) *Derivatives*—This covers sub-funds of a CCIV that hold derivatives for hedging or other purposes, other than as incidental property.
- (d) *Direct real property*—This covers sub-funds of a CCIV that hold physical real property assets.
- (e) *Films*—This covers sub-funds of a CCIV with the sole purpose of producing and/or exploiting a cinematograph film (as defined in the *Copyright Act 1968*).
- (f) *Financial assets*—This covers sub-funds of a CCIV that hold cash, cheques, orders for payment of money, bills of exchange, promissory notes, securities, deposit products and interests in managed investment schemes, but does not include derivatives.
- (g) *Mortgages*—This covers sub-funds of a CCIV that hold mortgage assets.
- (h) *Primary production*—This covers aquaculture, cattle breeding, forestry, horse breeding, horticulture, livestock grown for fleece, ratites (ostriches/ emus), tea trees, viticulture or other specialised sub-funds of CCIVs.
- (i) *Other*—This covers other specialised sub-funds of a CCIV.

Note: If the nature of the asset type(s) is novel (and does not fit within these categories), we may grant a tailored authorisation.

Tip: Consider other related authorisations you may need

When you operate the business and conduct the affairs of a CCIV, you will generally also be carrying on dealing activities (e.g. dealing in CCIV assets that are financial products) and are likely to need a dealing authorisation. For example, if the CCIV will hold foreign exchange contracts, you will generally need an authorisation to deal in foreign exchange contracts.

Note: A corporate director will not require a dealing authorisation to issue, vary or dispose of the 'securities' in the CCIVs that they operate: see s766C(4)(c).

You may also need to be authorised to provide financial product advice, depending on how you distribute your CCIV and sub-fund(s).

When to register your CCIV(s) and sub-fund(s)

- RG 1.78 A CCIV must be registered and must have at least one sub-fund that is registered at the same time. We may register additional sub-funds of the CCIV upon receiving an application from the corporate director.
- RG 1.79 Before you can register your CCIV(s) and/or sub-fund(s), you need to:
- (a) if you are a new AFS licence applicant—lodge an AFS licence application and be assessed as having the organisational competence and capacity to operate the CCIV(s) and asset kind of the sub-fund(s); or
 - (b) if you are an existing AFS licensee—ensure that your current AFS licence authorises you to operate the relevant CCIV and asset type of the sub-fund(s) assets. If it does not, you will need to lodge an application to vary your AFS licence.
- RG 1.80 If you have submitted an application for an AFS licence or variation, you must not lodge your application to register the CCIV or sub-fund with us before you receive your final licence.
- RG 1.81 For more information about registering a CCIV and sub-fund, see Information Sheet 272 *How to register a corporate collective investment vehicle and sub-fund* ([INFO 272](#)).

Provide a custodial or depository service

- RG 1.82 If you intend to provide a custodial or depository service such as holding a client's financial products, or a beneficial interest in a financial product, you will generally need to apply for an authorisation to provide a custodial or depository service. *Custodial or depository service* is defined in s766E.
- RG 1.83 You generally don't need an authorisation to provide a custodial or depository service if you only operate a registered scheme or a CCIV or a regulated superannuation fund, or if you only hold a basic deposit product or client money under Pt 7.8 of the Corporations Act: see s766E(3) and reg 7.1.40. See also Regulatory Guide 133 *Funds management and custodial services: Holding assets* ([RG 133](#)) for further details on the obligations in relation to providing custodial services.
- RG 1.84 If you will provide custodial or depository services, you will need an authorisation to operate as either:
- (a) an IDPS; or
 - (b) a custodial or depository service that is not an IDPS.

IDPSs

- RG 1.85 If you propose to be an IDPS operator under [ASIC Corporations \(Investor Directed Portfolio Services Provided Through a Registered Managed Investment Scheme\) Instrument 2023/668](#) and [ASIC Corporations \(Investor Directed Portfolio Services\) Instrument 2023/669](#), you will need to apply for an authorisation to operate an IDPS.
- RG 1.86 If, as an IDPS operator, you will not be responsible for performing the custody functions for the IDPS (i.e. you will only provide reporting and transaction services), generally you won't need to apply for a custodial or depository service authorisation. See [RG 148](#) for further details on licensing requirements and obligations applying to an IDPS or IDPS-like schemes.

Custodial or depository services that are not an IDPS

- RG 1.87 This authorisation covers all other types of custodial or depository services, including those provided by:
- (a) professional custodians;
 - (b) incidental providers; or
 - (c) MDA services providers or external MDA custodians.

Note: For more information on our policy and licensing requirements for MDA services, see [RG 179](#).

Incidental providers of custodial or depository services

- RG 1.88 Even if you intend to be an incidental provider of custodial or depository services, you still need an authorisation to provide a custodial or depository service.
- RG 1.89 Although we impose different financial requirements for incidental providers, this doesn't remove the need for you to be authorised to provide those services.
- RG 1.90 For more information on the financial requirements for incidental providers, see Appendix 4 of [RG 166](#).

Tip: Other authorisations you may need

If you provide a custodial or depository service, you are also likely to be dealing (e.g. applying for, or acquiring a financial product on behalf of another person). You need to consider which type of dealing activities you will be undertaking and apply for those that are relevant.

Provide traditional trustee company services

- RG 1.91 If you intend to provide traditional trustee company services, you will generally need to apply for an authorisation to provide traditional trustee company services.
- RG 1.92 Traditional trustee company services (see s601RAC(1)) include:
- (a) preparing wills, trust instruments and powers of attorney;
 - (b) applying for probate of a will;
 - (c) establishing and operating common funds; and
 - (d) acting as a trustee of any kind, or as an executor or administrator of an estate.
- RG 1.93 Only a body corporate trustee company prescribed and listed in Sch 8AA of the Corporations Regulations can provide traditional trustee company services.
- RG 1.94 If you are not prescribed under the Corporations Regulations as a trustee company, and wish to be, you will need to submit an application to ASIC. The application will then need to be formally approved by the Minister covering the matters in s601RAB(2A).
- RG 1.95 In your application, you will need to provide information about the resources available to carry out the proposed trustee company activities, including financial resources (e.g. whether you meet the net tangible assets (NTA) requirements in [RG 166](#)).
- RG 1.96 If approved by ASIC and the Minister, your name will need to be included in Sch 8AA of the Corporations Regulations: see s601RAB.

Provide a crowd-funding service

- RG 1.97 If you intend to provide crowd-sourced funding services, you will generally need to apply for an authorisation to provide a crowd-funding service. *Crowd-funding service* is defined in s766F. The crowd-sourced funding (CSF) regime is dealt with in Pt 6D.3A and Ch 7 of the Corporations Act.
- RG 1.98 An AFS licensee who is authorised to provide a crowd-funding service is a CSF intermediary: see s738C.
- RG 1.99 A CSF intermediary provides a crowd-funding service if:
- (a) the CSF intermediary operates a platform for hosting CSF offers (see s738L(6)), which includes a website or other electronic facility;
 - (b) the platform is used to publish a CSF offer document (see s738J(1)) for a CSF offer of fully-paid ordinary shares (see s738B and reg 6D.3A.01) by an eligible CSF company (which must be an unlisted public company with a principal place of business in Australia—see s738H); and
 - (c) applications may be made to the CSF intermediary for the issue, by the eligible CSF company, of shares under the CSF offer.

- RG 1.100 The financial service of providing a crowd-funding service also includes performing all other aspects of the role of a CSF intermediary under Pt 6D.3A.
- RG 1.101 A CSF intermediary provides a crowd-funding service to:
- (a) a person who uses the application facility on the CSF intermediary's platform to apply for shares under the CSF offer; and/or
 - (b) the eligible CSF company making the CSF offer.
- RG 1.102 For more information, see Regulatory Guide 262 *Crowd-sourced funding: Guide for intermediaries* ([RG 262](#)) and Regulatory Guide 261 *Crowd-sourced funding: Guide for companies* ([RG 261](#)).

Provide a claims handling and settling service

- RG 1.103 If you intend to provide claims handling and settling services for insurance products, you will generally need to apply for an authorisation to provide a claims handling and settling service. *Claims handling and settling service* is defined in s766G.
- RG 1.104 If you intend to provide claims handling and settling services and you belong to certain prescribed categories (see Table 1), you must hold an AFS licence authorising you to provide such services (a 'claims handling authorisation'), or be authorised by a person who holds a claims handling authorisation (unless an exemption applies).
- RG 1.105 You will be providing a claims handling and settling service if you undertake one or more of the following activities in relation to an insurance product:
- (a) making a recommendation or stating an opinion in response to an inquiry about a claim or potential claim;
 - (b) making a recommendation or stating an opinion that could influence a decision about making or continuing with a claim;
 - (c) representing someone in pursuing a claim;
 - (d) assisting another person to make a claim;
 - (e) assessing whether an insurer is liable under an insurance product;
 - (f) making a decision to accept or reject all or part of a claim;
 - (g) quantifying an insurer's liability under an insurance product;
 - (h) offering to settle all or part of a claim; or
 - (i) satisfying a liability of an insurer under a claim.
- RG 1.106 Table 1 lists the categories of industry participants who must hold an AFS licence with a claims handling authorisation. For more information, see Information Sheet 235 *Claims handling and settling: How to comply with your AFS licence obligations* ([INFO 235](#)).

Table 1: Categories of industry participants who must hold an AFS licence with a claims handling authorisation

Category	Description
Insurer	You are the issuer of the insurance product.
Insurance fulfilment provider	You carry on a business of providing goods or services to satisfy an insurer's liability to its insured and have authority from an insurer to reject all or part of a claim.
Insurance claims manager	You provide a claims handling and settling service on behalf of one or more insurers and do so as a business or as a primary part of your business.
Claimant intermediary	You carry on a business of representing insured people in pursuing a claim and do so in return for any benefit (monetary or otherwise) which is given to you or a person nominated by you.
Insurance broker	You carry on a business of arranging contracts of insurance for intending insureds and provide a claims handling and settling service on behalf of the insurer.
Financial adviser	You provide financial product advice to an insured person (including one who is a third-party beneficiary) and provide a claims handling and settling service on behalf of the insurer.

Provide a superannuation and trustee service

- RG 1.107 If you intend to operate a registrable superannuation entity (RSE) as trustee you will generally need to apply for an authorisation to provide a superannuation and trustee service. *Providing a superannuation trustee service* is defined in s766H.
- RG 1.108 The authorisation to provide a superannuation trustee service covers all activities involved in operating an RSE, at all stages of your interactions and transactions with your members and others.
- RG 1.109 RSE licensees that meet certain conditions are deemed, by law, to be authorised to provide a superannuation trustee service for the purpose of their AFS licence: see s1676A–1676C.

Financial products

- RG 1.110 Your AFS licence will specify the financial services you can provide under your licence and any financial products your financial services relate to.

- RG 1.111 For examples of the financial product categories you can be authorised for under an AFS licence based on the definitions in s761A and 764A, see Table 3 in the appendix.
- RG 1.112 When selecting your financial product authorisations, you will need to think about the particular features of the products and which category of the definitions of each financial product it fits under: see RG 1.113–RG 1.125.

Consumer credit insurance

- RG 1.113 Some consumer credit insurance products are underwritten by both a general insurance company and a life insurance company. If you want to provide services in relation to these products, you will need authorisations for both ‘general insurance’ and ‘life products’. You can limit your authorisations to only these insurance products (i.e. you can be authorised to deal in general insurance and life products limited to consumer credit insurance).

Derivatives and foreign exchange contracts

- RG 1.114 In some cases, a product can be both a ‘derivative’ and a ‘foreign exchange contract’ (as defined in s761A and s761D). However, for the purposes of AFS licence authorisations, we have redefined ‘derivative’ so that it no longer includes derivatives that are foreign exchange contracts. For more information, see the definitions in [PF 209](#).
- RG 1.115 If you want to provide derivatives that are foreign exchange contracts, you need to select the ‘foreign exchange contracts’ product authorisation, not the ‘derivatives’ authorisation (unless you want to provide other types of derivatives as well).

MDA services

- RG 1.116 MDA services generally fit under both the ‘managed investment schemes’ and ‘miscellaneous financial facility’ categories. Depending on the nature of your business, you can select to be authorised under either or both of these categories. For more information, see [RG 179](#).

Warrants

- RG 1.117 Warrants, depending on their type, can fit under the ‘securities’, ‘derivatives’ or ‘miscellaneous financial facility’ categories.
- RG 1.118 If you want to provide warrants, you will need to look at the features of the particular product in question to work out which product authorisation you need to select.
- RG 1.119 Managed investments warrants are generally covered by the ‘derivatives’ category.

Margin lending facilities

- RG 1.120 A *margin lending facility* is defined in s761EA to include a standard margin lending facility and a non-standard margin lending facility.
- RG 1.121 If you want to provide a financial service in relation to margin lending facilities, you will need to look at the features of the facility and work out whether you need to select a standard margin lending facility authorisation or a non-standard margin lending facility authorisation. If you will be providing financial services in relation to both standard margin lending facilities and non-standard margin lending facilities, you will need to select both categories.

Other—Miscellaneous financial investment and miscellaneous risk products

- RG 1.122 These miscellaneous product categories apply by reference to s763A where your financial product does not fit into any of the other financial product categories listed in Table 3 in the appendix.
- RG 1.123 We expect that applicants will only select a ‘miscellaneous financial investment product’ (see s763B) or ‘miscellaneous financial risk product’ (see s763C) in rare situations and only where you have obtained a legal opinion that your product does not otherwise fit within one of the other categories.
- RG 1.124 If you select this category, you will need to:
- (a) describe the features of the product and how it will operate and/or be used;
 - (b) provide a legal opinion stating why the product is a financial product and why it does not fit into any other financial product categories listed in Table 3 in the appendix.
- RG 1.125 You do not need to provide a legal opinion if the product is a miscellaneous financial investment product, an MDA service, or where your product has the same features as another licensee’s products and ASIC has already granted that licensee a miscellaneous financial investment or risk product authorisation. You will need to confirm to ASIC that they have the same features.

Authorisation to use certain terms

- RG 1.126 Under s923B, AFS licensees are restricted from using certain terms to describe their financial services business unless they are expressly authorised to do so under a condition on their licence.
- RG 1.127 These restrictions apply to the following (or similar) terms:
- (a) ‘stockbroker’ or ‘share broker’;
 - (b) ‘futures broker’;

- (c) ‘insurance broker’ or ‘insurance broking’;
- (d) ‘general insurance broker’; and
- (e) ‘life insurance broker’.

RG 1.128 You can only be authorised to use them (or similar terms) if you are authorised to provide dealing services in relation to the products relevant to those products. Depending on the particular term, other eligibility criteria may also apply.

RG 1.129 However, you don’t have to use these terms, even if you meet the eligibility criteria. For example, if you intend to be a financial planner authorised to advise and deal in general insurance, you don’t have to use the term ‘general insurance broker’.

‘Stockbroker’ or ‘sharebroker’

RG 1.130 To be eligible to use these terms, you must be:

- (a) applying to provide financial services in securities; and
- (b) a member participant of a licensed market that covers dealings in securities (e.g. ASX Limited, Cboe Australia, National Stock Exchange of Australia, Sydney Stock Exchange).

‘Futures broker’

RG 1.131 To be eligible to use this term, you must be:

- (a) applying to provide financial services in derivatives; and
- (b) a member participant of a licensed market that covers dealings in derivatives (e.g. Australian Securities Exchange Limited).

‘Insurance broker’, ‘insurance broking’, ‘general insurance broker’ and ‘life insurance broker’

RG 1.132 To be eligible to use these terms, you must be applying to deal in:

- (a) general and/or life insurance products (for ‘insurance broker’ and ‘insurance broking’);
- (b) general insurance products (for ‘general insurance broker’); or
- (c) life insurance products (for ‘life insurance broker’).

RG 1.133 To use any insurance broking term, you must also act on behalf of the intending insured (i.e. the client), as opposed to acting on behalf of the insurance company.

C Your people

Key points

As part of our assessment process, ASIC will assess certain people associated with your licence application.

This section gives an overview of the categories of people that we will assess to ensure we have no reason to believe they are not fit and proper. We also explain the information we will review when undertaking this assessment.

In addition, this section provides details about the information we require to assess the knowledge and skills of your nominated responsible managers.

Overview

- RG 1.134 As part of our assessment process, ASIC assesses whether you and certain people associated with your licence application are fit and proper.
- RG 1.135 We must have no reason to believe the following persons are not a fit and proper person:
- (a) any of the persons in s913BA(1)(a)–(f) (see RG 1.141–RG 1.145) for the purposes of the fit and proper test in s913BA; and
 - (b) your nominated responsible managers.
- RG 1.136 If a person in s913BA(1)(a)–(f) is also one of your nominated responsible managers, they will only be assessed once for their fitness and propriety.
- RG 1.137 However, unlike a person in s913BA(1)(a)–(f), ASIC will also assess whether your nominated responsible managers have the competence (i.e. that they have appropriate knowledge and skills) to provide the financial services you are seeking to provide: see s912A(1)(e).

Fit and proper test

- RG 1.138 Section 913BA of the Corporations Act requires that, before a licence is granted, ASIC must be satisfied that there is no reason to believe that certain people involved in the management or control of your financial services business are not ‘fit and proper persons’ to undertake that role.

- RG 1.139 To be a fit and proper person means that the person:
- (a) is competent to undertake their role in relation to your financial services business (or in relation to an entity who controls your financial services business);
 - (b) has the attributes of good character, diligence, honesty, integrity and judgement;
 - (c) is not disqualified by law from performing their role; and
 - (d) either has no conflict of interest in performing their role, or any conflict that exists will not create a material risk that the person will fail to properly perform their role.

Note 1: These criteria for determining whether a person is a fit and proper person are consistent with the criteria for responsible persons of authorised deposit-taking institutions in APRA's Prudential Standard [CPS 520](#) *Fit and proper* and for Australian credit licences in Regulatory Guide 204 *Applying for and varying a credit licence* ([RG 204](#)).

Note 2: A fit and proper person who is not nominated as a responsible manager will not be assessed for competence in relation to your proposed financial services or financial products against the criteria outlined in [RG 105](#).

- RG 1.140 Factors that may indicate that a person is not fit and proper include whether:
- (a) the person has had an AFS licence or credit licence suspended or cancelled;
 - (b) a banning or disqualification order has been made by a court against the person under Pt 7.6, Div 8, Subdiv B of the Corporations Act or Pt 2-4 of the *National Consumer Credit Protection Act 2009*;
 - (c) the person has been banned from engaging in any credit activity under a state or territory law;
 - (d) the person has ever been linked to a refusal or failure to give effect to a determination made by AFCA; and
 - (e) the person has been convicted of an offence in the last 10 years.

Who is required to be a fit and proper person for the purposes of s913BA?

- RG 1.141 A 'fit and proper person' is:
- (a) if you are a body corporate—your officers;
 - (b) if you are a partnership or multiple trustee:
 - (i) any partners or trustees; and
 - (ii) any senior managers of the partnership or trust; and
 - (c) if you are a natural person—you.

- RG 1.142 Additionally, a fit and proper person includes any person(s) who ‘controls’ you, as the applicant (referred to as a controller). Typically, a controller is a person or group(s) of individuals that determine your financial and operating policy and how you deliver the financial services that you want to be authorised for. For the definition of ‘control’, see s910B.
- RG 1.143 If a ‘controller’ is a body corporate, or a partnership or multiple trustee, a fit and proper person includes:
- (a) the officers of the body corporate;
 - (b) the partners and trustees of the partnership or the trust; and
 - (c) the senior managers of the partnership or the trust.
- RG 1.144 An ‘officer’ is defined in s9 and includes:
- (a) a director or secretary of the body corporate;
 - (b) a person who makes, or participates in making, decisions that affect the whole, or a substantial part, of the body corporate’s business, or who has the capacity to significantly affect the body corporate’s financial standing;
 - (c) a person whose instructions or wishes the directors of the body corporate are accustomed to act on (excluding advice given by the person in a professional capacity or as part of their business relationship with the directors or the body corporate).
- RG 1.145 A ‘senior manager’ is a person who:
- (a) makes, or participates in making, decisions that affect the whole, or a substantial part, of the applicant’s business; or
 - (b) has the capacity to affect significantly the financial standing of the applicant.

How does ASIC assess a fit and proper person?

- RG 1.146 ASIC will assess a fit and proper person against the matters we must have regard to under s913BB(2).
- RG 1.147 We require certain information about each of your fit and proper people to conduct our assessment. We have provided a template for information on fit and proper people on our website, which sets out the information that different entities need to provide.
- RG 1.148 For our assessment, we also require certain supporting documents for each fit and proper person (People Proofs). In all cases, we will require People Proofs:
- (a) if you are a body corporate—from your officers;
 - (b) if you are a partnership or multiple trustee, from:
 - (i) any partners or trustees; and
 - (ii) any senior managers of the partnership or trust;

- (c) if you are a natural person— from you; and
- (d) if your controller is a natural person—from them.

Note: Exceptions to the required People Proofs may be available in relation to controllers and officers of intermediate entities of a corporate group which controls the applicant, and natural person officers and controllers of the ultimate holding entity of a corporate group who controls the applicant.

RG 1.149 People Proofs for any fit and proper person (which must be no more than 12 months old) include:

- (a) a national criminal history check, including overseas criminal history check(s) for each country where they have lived for more than 12 months in the last 10 years;
- (b) a bankruptcy check for each country where they have lived for more than 12 months in the last 10 years; and
- (c) a duly completed and signed [Statement of Personal Information](#).

Note: These People Proofs must be provided for responsible managers as well as relevant qualification certificates for applicants other than foreign financial services providers.

RG 1.150 Only documents written in English will be accepted. If your documents are not in English, you must also provide a certified translation of the document: see [Translation of documents](#).

Permissible certification for a fit and proper person

RG 1.151 In place of criminal history checks, bankruptcy checks and Statements of Personal Information, we will accept a certification for officers, partners, trustees, and senior managers of an intermediate controller (permissible certification). We encourage you to use the [certification template](#) on the ASIC website.

RG 1.152 We will not accept a certification for the officers of an ultimate holding company.

RG 1.153 Even if you provide a permissible certification, we may subsequently request information (including criminal history, bankruptcy checks and Statements of Personal Information) for one or more of these permissible certification people when assessing your application.

Evidence that a fit and proper person is subject to equivalent requirements

RG 1.154 We may accept alternative evidence in lieu of criminal history checks, bankruptcy checks and Statements of Personal Information for any officers, partners, trustees, and senior managers of an ultimate controller where you provide sufficient evidence that the relevant natural person is subject to an equivalent fit and proper person requirement in another regulatory regime.

- RG 1.155 If you cannot demonstrate this to our satisfaction, you will need to provide a criminal history check, bankruptcy check and Statement of Personal Information for each relevant person.
- RG 1.156 We may subsequently request information (including criminal history, bankruptcy checks and Statements of Personal Information) against a fit and proper person even if they are subject to a fit and proper person requirement in another regime.

Getting a national criminal history check

- RG 1.157 You will need to get national criminal history checks on a fit and proper person from one of the following sources:
- (a) the Australian Federal Police;
 - (b) state and territory police services; or
 - (c) brokers accredited by the Australian Criminal Intelligence Commission.
- RG 1.158 You are not obliged to disclose convictions to us that are ‘spent’ or ‘quashed’: see the definition of ‘spent conviction’ in Pt VIIC of the *Crimes Act 1914*. You must ensure that the national criminal history checks you apply for do not disclose details of spent convictions. We may not accept national criminal history checks that have been conducted for other purposes, such as for applications for a firearms licence, because those checks may include details of spent convictions.
- RG 1.159 You must also provide us with a criminal history check, no more than 12 months old, from each of the countries in which a fit and proper person has resided for one year or more in the last 10 years.
- RG 1.160 If the fit and proper person has never lived in Australia, or if they arrive in Australia in the six-month period before an application is lodged, an Australian criminal history check will not be needed in addition to the overseas criminal history check(s).
- RG 1.161 The criminal history check must be obtained from a national government authority in the relevant country. If this is not possible, you must provide a criminal history check issued by a state or provincial authority for each state or province where a fit and proper person has lived for one year or more over the last 10 years.
- RG 1.162 If authorities in the relevant country do not provide criminal history checks, you must provide a statutory declaration declaring that a fit and proper person has no criminal history and detailing the attempts you have made to obtain a criminal history check from the relevant authorities.
- RG 1.163 The person’s statutory declaration must comply with the applicable legal requirements. A person based in Australia can complete a declaration using a

Commonwealth or state or territory form, and have it signed and witnessed by an approved person. A person based overseas can make a declaration in accordance with local laws or consider making a Commonwealth statutory declaration. For information about how to make a Commonwealth statutory declaration, see [About Commonwealth statutory declarations](#) on the Australian Government (Attorney-General's Department) website.

Overseas bankruptcy check

- RG 1.164 You must also provide us with a bankruptcy check, no more than 12 months old, from each of the countries in which a fit and proper person has resided for one year or more in the last 10 years.
- RG 1.165 The bankruptcy check must be obtained from a national government authority in the relevant country. If this is not possible, you must provide a bankruptcy check issued by a state or provincial authority for each state or province where a fit and proper person has lived for one year or more over the last 10 years.
- RG 1.166 If authorities in the relevant country do not provide bankruptcy checks, you must provide a statutory declaration declaring that a fit and proper person has never been bankrupt and detailing the attempts you have made to obtain a bankruptcy check from the relevant authorities. For details on the permitted methods to witness a Commonwealth statutory declaration, see Sch 1 to the *Statutory Declaration Regulations 2023*.

Responsible managers

Nominating your responsible managers

- RG 1.167 Your responsible managers are the people who manage your financial services business and are responsible for significant day-to-day decisions about your financial services business.
- RG 1.168 You should only nominate someone as a responsible manager if they are directly responsible for significant day-to-day decisions about the ongoing provision of financial services under your AFS licence.
- RG 1.169 The people you nominate in your application must have the knowledge and skills to ensure that you discharge your obligations as an AFS licensee.
- RG 1.170 ASIC will also assess whether your nominated responsible managers are 'fit and proper' for their roles. The information we require is the same as what we require to assess your fit and proper persons under s913BA. If they are the same individuals, you only need to provide the relevant documents once.
- RG 1.171 Example 1 outlines a situation in which your nominated responsible manager may also be one of your fit and proper persons under s913BA.

Example 1: Your nominated responsible manager is also a director**Scenario**

ABC Y is a financial planning business applying for an AFS licence. Jane is the sole director of ABC Y. In their application, ABC Y have nominated Amanda as a responsible manager on the basis that she will be responsible for providing financial advice and dealing services to clients.

Commentary

ASIC will assess whether we have no reason to believe Jane and Amanda are not fit and proper persons to provide financial services. ABC Y will need to provide us with the relevant People Proofs for both individuals.

ABC Y will also need to provide evidence that Amanda has the appropriate knowledge and skills to be a responsible manager. We will consider this evidence as part of our assessment of ABC Y's ability to comply with the organisational competence obligation in s912A(1)(e).

- RG 1.172 For more information on nominating your responsible managers, see Section B of [RG 105](#).

Number of responsible managers

- RG 1.173 There is no limit on the number of responsible managers you may wish to nominate and it will depend on the nature, scale and complexity of your business.
- RG 1.174 For a large business, we expect there will be several responsible managers. For a small business, we recognise that there may only be one responsible manager, but generally we expect an AFS licensee will have at least two responsible managers.

Nominating only one responsible manager*Key person AFS licence condition*

- RG 1.175 If an AFS licensee is heavily dependent on the expertise of one or more responsible managers, we refer to these people as 'key persons' and will usually name them on the AFS licence in a 'key person condition'.
- RG 1.176 If we put a key person condition on your AFS licence, you will have additional obligations. These will include:
- (a) notifying us if your key person leaves or is about to leave your business; and
 - (b) nominating another suitably qualified responsible manager to take over from them.

- RG 1.177 If your key person leaves your business and you need to nominate another person to take over from them, you must apply to vary your AFS licence. In Example 2, the departure of the AFS licensee's key person triggers an application by the licensee to vary their licence.

Example 2: Your key person is leaving your business

Scenario

Adam was the sole responsible manager nominated by Company T in its AFS licence application. As a result, ASIC imposed a key person condition on Company T's AFS licence naming Adam.

Adam has now provided notice of his resignation to Company T.

Commentary

Company T must lodge a variation application to notify ASIC of Adam's departure from the business within five business days of the date he ceases to be an officer or ceases to perform duties on behalf of Company T. As part of the variation application, Company T must also nominate another suitably qualified person to take over from Adam.

- RG 1.178 For more information on key person conditions, see Section D of [RG 105](#) and condition 3 of [PF 209](#).

Responsible managers acting on behalf of multiple AFS licensees

- RG 1.179 If you nominate a person who is already a responsible manager for another AFS licensee, you will need to be able to demonstrate that this person will be able to spend enough time fulfilling their duties as your responsible manager. This includes consideration of how your responsible manager will allocate their time and how you will manage any conflicts of interest.

Demonstrating appropriate knowledge and skills

- RG 1.180 Each of your responsible managers must meet one of the five options in Section C of [RG 105](#) for demonstrating appropriate knowledge and skills.
- RG 1.181 Each option includes a skills component (which considers the responsible manager's past experience) and a knowledge component (which generally requires completion of a relevant qualification and/or training).

How ASIC assesses your nominated responsible managers

- RG 1.182 We need People Proofs for your responsible managers to help us assess your organisational competence under [RG 105](#): see RG 1.149–RG 1.150.
- RG 1.183 We will apply the same probity checks that we apply to fit and proper persons where the responsible manager is not already assessed as a fit and proper person: see RG 1.139–RG 1.140 and RG 1.157–RG 1.166.

Overseas qualifications

- RG 1.184 We will generally only accept an overseas qualification where you can show that it is comparable to an Australian qualification that meets one of the five options in [RG 105](#).
- RG 1.185 [International Education Online](#) provides official information and advice on the comparability of overseas qualifications with Australian qualifications. The [International Education Online Country Education Profiles](#) is an online recognition tool to assist in determining the equivalence of qualifications from more than 120 countries with Australian qualifications. Country Education Profiles (CEPs) can be purchased and accessed from International Education Online or by phoning 1300 615 262.
- RG 1.186 If there is any doubt about the adequacy of your responsible manager's qualification based on the information from International Education Online, you can apply to International Education Online to make an assessment of the comparability of the individual qualification with Australian qualifications. This process may take up to three months.

D Your general obligations

Key points

AFS licensees have an obligation to ensure financial services are provided efficiently, honestly and fairly. Licensees also need to comply with various statutory obligations and ASIC-imposed licence conditions.

ASIC will assess whether you understand, and are likely to comply with, your AFS licence obligations.

This section provides a high-level overview of the general obligations for AFS licensees. These obligations relate to organisational competence, compliance arrangements, outsourcing, appointment of an auditor and representatives, financial and non-financial resources, dispute resolution, risk management, and compensation and insurance arrangements.

Understanding your obligations as an AFS licensee

RG 1.187 AFS licensees have obligations under s912A requiring them to:

- (a) operate their business efficiently, honestly and fairly;
- (b) maintain the organisational competence to provide the financial services covered by their licence;
- (c) ensure their representatives are competent and adequately trained to provide the financial services;
- (d) have adequate financial, technological and human resources to provide the financial services;
- (e) have risk management systems;
- (f) have arrangements in place for managing conflicts of interest;
- (g) comply with the financial services laws and ensure their representatives comply with those laws;
- (h) comply with the conditions on their licence; and
- (i) if they are the operator of an Australian passport fund or a person with responsibilities in relation to an Australian passport fund—comply with the law of each host economy for the fund.

Note 1: If you are an eligible body under [ASIC Corporations \(Foreign Financial Services Providers—Foreign AFS Licensees\) Instrument 2020/198](#) you may be exempt from some of these obligations.

Note 2: If you are providing financial services to retail clients, you will have additional dispute resolution and compensation obligations. Please see s912B for more information.

- RG 1.188 ASIC will assess whether you understand the obligations of an AFS licensee under s912A and ASIC has no reason to believe you do not have appropriate systems and processes in place.
- RG 1.189 You must be able to show that you can comply with the general obligations from the time you are granted a licence, and on an ongoing basis: see reg 7.6.03(g). We must not grant you a licence if we have reason to believe you are likely to contravene your licence obligations if you are granted a licence: see s913B(1)(b).
- RG 1.190 As part of our assessment, we may ask you about:
- (a) your organisational competence and the processes you have in place to maintain it;
 - (b) your compliance arrangements;
 - (c) the training, supervision and monitoring of your representatives;
 - (d) the adequacy of your financial, human and information technology resources;
 - (e) your dispute resolution system;
 - (f) your risk management procedures;
 - (g) your compensation and insurance arrangements; and
 - (h) your product and market research and any benefits your representatives will receive.
- RG 1.191 The questions you will be asked will depend on the activities you intend to undertake. For example:
- (a) if you intend to provide financial services to retail clients, you will be asked about your arrangements for compensating clients for loss or damage under s912B, and your dispute resolution systems under s912A(2); or
 - (b) if you are a body regulated by APRA, you won't be asked questions about the adequacy of your resources or your risk management systems.
- RG 1.192 We may ask you for additional information once we have accepted your application for assessment, and you may be required to provide additional responses and supporting material depending on what we consider is relevant to deciding whether we must or must not grant your application.
- RG 1.193 If we grant you an AFS licence, your licensee obligations include your statutory obligations including those in s912A, the licence conditions imposed under the Corporations Regulations including reg 7.6.04, and the licence conditions imposed by ASIC in [PF 209](#), as well as any tailored licence conditions that apply specifically to you.

Efficiently, honestly and fairly

- RG 1.194 Section 912A(1)(a) requires that a financial services licensee do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly.
- RG 1.195 While the ‘efficiently, honestly and fairly’ obligation is a standalone obligation that operates separately from the other general obligations, if you fail to comply with your other general obligations, it is unlikely that you will be complying with the ‘efficiently, honestly and fairly’ obligation.

Organisational competence

- RG 1.196 Before ASIC will grant you an AFS licence, you need to demonstrate that you have the competence to provide the financial services and products you are asking to be authorised for under your licence: see s912A(1)(e).
- RG 1.197 We assess your ability to meet this competency obligation by looking at the knowledge and skills of the responsible managers you nominate in your application. See RG 1.180–RG 1.186 and [RG 105](#) for further details of what your responsible managers will need to demonstrate.

Representatives

- RG 1.198 As a financial services licensee, your ‘representatives’ are your authorised representatives, employees, directors, employees or directors of your related bodies corporate, and any other person acting on your behalf: see s9.

Monitoring, supervision and training

- RG 1.199 AFS licensees must monitor and supervise the activities of their representatives (including authorised representatives) to ensure that they are complying with financial services laws when carrying out financial services activities as their representative.
- RG 1.200 Licensees must also ensure that their representatives are properly trained and competent to provide the financial services both when appointing them and on a continuing basis: see s912A(1)(ca) and (f) and Section E of Regulatory Guide 104 *AFS licensing: Meeting the general obligations* ([RG 104](#)). Licensees must also maintain up-to-date records of the training undertaken by each of their representatives: see reg 7.6.04(1)(d).
- RG 1.201 When assessing your application, we need to be satisfied that you will have documented processes and procedures to ensure adequate arrangements to comply with these obligations.

- RG 1.202 If your representatives (including authorised representatives) will be providing financial product advice to retail clients, they will have to meet minimum training standards. For more information on the minimum training standards for financial product advisers, please see our website, Section E of RG 104 and Regulatory Guide 146 *Licensing: Training of financial product advisers* ([RG 146](#)).
- RG 1.203 We have not specified minimum training requirements for all financial services. It will be your responsibility to ensure your representatives have the appropriate knowledge and skills to competently perform their tasks and functions: see Section E of [RG 104](#).

Authorised representatives

- RG 1.204 After you obtain an AFS licence you must:
- (a) appoint your authorised representative in accordance with s916A or 916B; and
 - (b) notify us within 15 business days of their appointment: see s916F.

Responsible managers

- RG 1.205 It is important to not confuse the term ‘representatives’ with ‘responsible managers’. Your responsible managers are directly responsible for the significant day-to-day decisions about your financial services business. Your representatives are the people who provide financial services or otherwise act on your behalf: see s9 and RG 1.198. Your responsible managers can also be your representatives.

Example 3: Your representatives

Scenario

In its AFS licence application, XY Advisers Pty Ltd nominated Jason and Lucy to manage its financial services business. Jason will be involved in signing contracts with outsourced providers and Lucy will be dealing directly with clients in the provision of XY Advisers Pty Ltd's financial services.

Jason is also a director of XY Advisers Pty Ltd. Lucy is an employee of XY Advisers Pty Ltd.

Commentary

Jason and Lucy are representatives of XY Advisers Pty Ltd within the meaning of s9. This is because they are a director and employee of XY Advisers Pty Ltd respectively and are providing financial services or otherwise acting on behalf of XY Advisers Pty Ltd.

Financial resources

- RG 1.206 AFS licensees must have adequate financial resources to provide the financial services covered by their licence.
- RG 1.207 The financial requirements that you will have to meet will depend on the financial services and products you are seeking to offer, and the nature, scale and complexity of your business.
- RG 1.208 The financial requirements comprise:
- (a) base level financial requirements;
 - (b) a surplus liquid funds (SLF) requirement where you hold client money or property; and
 - (c) an adjusted surplus liquid funds (ASLF) requirement where you transact with clients as principal.
- RG 1.209 Your AFS licence will include conditions setting out the minimum financial requirements that apply to the financial services and product authorisations you are authorised to provide.
- RG 1.210 We impose these financial requirements to help ensure that:
- (a) you have sufficient financial resources to conduct your financial services business in compliance with the Corporations Act (including carrying out supervisory arrangements);
 - (b) there is a financial buffer that decreases the risk of a disorderly or non-compliant winding-up if the business fails; and
 - (c) there are incentives to comply through risk of financial loss.
- RG 1.211 Our policy on financial requirements is set out in detail in [RG 166](#). Table 2 of [RG 166](#) provides a summary of the base level and additional financial resource requirements ASIC will impose based on the type of financial services you intend to provide.
- RG 1.212 If we decide ‘in-principle’ to offer you a draft licence, we will ask you to provide evidence demonstrating that you can meet the applicable financial requirements. We will only grant you a final licence if we consider you have adequate financial resources available to comply with your AFS licensee obligations.
- RG 1.213 We will not apply financial resource requirements if you are a body regulated by APRA, or are applying for your AFS licence on the basis that concurrent with this application, you will become a body regulated by APRA.

Human and technological resources

- RG 1.214 In addition to the required financial resources requirement, unless you are an APRA-regulated body, you must also have sufficient human and technological resources. This will also depend on the nature, scale and complexity of your business.

Human resources

- RG 1.215 The adequacy of your human resources should take into account the ratio of compliance staff to representatives, staff turnover, and the competence and capacity of your representatives, responsible managers and senior managers: see Section F of [RG 104](#).

Technological resources

- RG 1.216 The adequacy of your technological resources should take into account your IT system security, the currency of your hardware and software, and your disaster recovery systems and business resumption capacity: see Section F of [RG 104](#).

Outsourcing

- RG 1.217 If you intend to outsource any substantial activities under your AFS licence (whether or not within your corporate group), we expect you will have appropriate processes in place to ensure that you:
- (a) have taken due skill and care in choosing a suitable outsourced service provider;
 - (b) will monitor their ongoing performance; and
 - (c) can deal effectively with any breaches of the outsourcing agreement or actions that lead, or might lead, to a breach of your licensee obligations.
- RG 1.218 Even if you outsource any activities under your AFS licence, you will still be responsible for complying with all of your licensee obligations in relation to these activities: see s769B and Section B of [RG 104](#). For example, if you outsource the training of your representatives, you will still be responsible for ensuring that your representatives are competent and adequately trained.

ASIC-registered auditor

- RG 1.219 Under s990B(1), you must appoint an ASIC-registered auditor within one month of being granted an AFS licence.
- RG 1.220 You can check whether your auditor is registered by [searching ASIC's professional register](#).
- RG 1.221 If you are granted an AFS licence with authorisations to provide limited financial services, the audit requirements will not apply to you if you do not deal with money to which Div 2 of Pt 7.8 of the Corporations Act applies: see reg 7.8.12A. If you do, you must lodge an annual compliance certificate by completing [Form FS76](#) *Limited Australian financial services licensee annual compliance certificate* rather than an auditor's report.

Compliance arrangements and conflicts management

- RG 1.222 You must have compliance measures in place to meet the AFS licensee obligations: see Section C of [RG 104](#).
- RG 1.223 You must also have adequate arrangements for managing conflicts of interest that may arise in relation to your financial services business: see s912A(1)(aa).
- RG 1.224 Our policy on managing conflicts of interest is set out in Regulatory Guide 181 *Licensing: Managing conflicts of interest* ([RG 181](#)). You must provide us with summary details of the arrangements and procedures you have in place to manage conflicts of interest (do not send us your manuals and procedures as we will not review these).
- RG 1.225 We expect you to establish and maintain compliance measures that are appropriate to the nature, scale and complexity of your business. There may be more than one way for you to comply with these obligations. We expect you will have documented your processes and procedures in some form: see Section B of [RG 104](#) and Section B of [RG 181](#).

Risk management

- RG 1.226 Unless you are a body regulated by APRA, or are applying for your AFS licence on the basis that you are also seeking and will hold an APRA licence as a condition of being granted your AFS licence, you must have adequate risk management arrangements: see s912A(1)(h).

Establishing adequate risk management systems

- RG 1.227 We expect your risk management processes to be tailored to your financial services business. Your risk management systems will depend on the nature, scale and complexity of your business and your risk profile. They will be different for each licensee.
- RG 1.228 You will need to identify and address the risks associated with your particular business. For example, if you are a small business with only one responsible manager, your risk management processes should address what will occur if that person is unexpectedly unavailable. If you operate a managed investment scheme, your risk management processes should identify and address operational risks related to the loss of, or damage to, scheme property. We require only summary details (do not send us your manuals and procedures as we will not review these).
- RG 1.229 For further guidance on risk management systems, see Section D of [RG 104](#) and if you are applying to operate a registered scheme, see Regulatory Guide 259 *Risk management systems of fund operators* ([RG 259](#)).

Dispute resolution

- RG 1.230 If you are applying to provide financial services to retail clients, you must have a dispute resolution system in place: see s912A(1)(g) and 912A(2). This is an important legislative requirement because consumers and small business should have access to fair, timely and effective dispute resolution.
- RG 1.231 Your dispute resolution system must consist of:
- (a) an internal dispute resolution procedure that satisfies s912A(2)(a) (see the requirements in [RG 271](#)); and
 - (b) membership of the external dispute resolution scheme operated by AFCA: see s912A(2)(c).

Internal dispute resolution

- RG 1.232 If you are subject to the internal dispute resolution obligations, we expect you to have robust processes. This means that you should have procedures, documents, policies, resources, governance and arrangements in place to manage complaints. We require only summary details (do not send us your manuals and procedures as we will not review these).
- RG 1.233 Your processes may be tailored to suit the nature, scale and complexity of their business, and may in whole or in part be outsourced: see Sections B and E of [RG 271](#).

- RG 1.234 Key requirements include:
- (a) the timeliness of responses to complaints (see Section C of [RG 271](#));
 - (b) the identification, management and accountability for systemic issues arising from complaints (see Section D of [RG 271](#)); and
 - (c) processes relevant to your business adapted from [AS 10002:2022 Guidelines for complaint management in organizations](#), including visibility of your policies and their accessibility by consumers (see Section E of [RG 271](#)).

External dispute resolution

- RG 1.235 While you do not have to become a member of AFCA before you apply for your AFS licence, we will only issue you with an AFS licence if you are a member of AFCA: see Section B of [RG 267](#). You can find out more information on becoming a member of AFCA at [AFCA's website](#).

Compensation and insurance arrangements

- RG 1.236 If you are applying to provide financial services to retail clients, you will need to have arrangements in place for compensating those clients for loss or damage suffered because of breaches of relevant obligations under Ch 7 of the Corporations Act by you or your representatives: see s912B.
- RG 1.237 The compensation requirements are not a mechanism for providing compensation directly to consumers. Rather, it is a means of reducing the risk that you cannot pay claims because of insufficient financial resources.
- RG 1.238 Our policy on compensation and insurance arrangements is set out in [RG 126](#).
- RG 1.239 The primary way to comply with this obligation is to have professional indemnity (PI) insurance: see s912B and reg 7.6.02AAA. For what we consider to be adequate PI insurance, see Sections C and D of [RG 126](#). You do not need to have PI insurance if:
- (a) you have alternative arrangements approved in writing by ASIC (see Section D of [RG 126](#)); and
 - (b) you are a general insurance company, life insurance company or an authorised deposit-taking institution regulated by APRA (see Section E of [RG 126](#)); or
 - (c) you are related to one of the APRA-regulated entities listed in [RG 1.239\(b\)](#) and have a guarantee from the APRA-regulated entity that has been approved by ASIC (see Section E of [RG 126](#) and [RG 1.247](#)).

Professional indemnity insurance

- RG 1.240 If you intend to meet your obligations by holding PI insurance, you do not need to obtain your PI insurance before you apply for your AFS licence. You may want to make inquiries about whether you can obtain PI insurance before you apply, as some applicants may be considered uninsurable or you may consider the cost to be prohibitive. We will only grant you a licence if we consider your insurance is adequate. As it can take several weeks or longer to obtain PI insurance, we recommend you start organising it early.
- RG 1.241 You will only be required to hold adequate PI insurance after we have decided ‘in-principle’ to offer you a draft licence. If we make an offer, we will ask you to provide a copy of your certificate of currency and to complete a [PI insurance questionnaire](#).
- RG 1.242 If you are seeking to be any of the following, you will be subject to specific PI insurance requirements, either as a condition of your licence or under the terms of an ASIC instrument:
- (a) responsible entity of a registered scheme and corporate director of a retail CCIV—see [PF 209](#) conditions 29, 29A and 29B if you are applying to be a responsible entity of a registered scheme or a corporate director of a CCIV;
 - (b) IDPS operator—see [ASIC Corporations \(Investor Directed Portfolio Services\) Instrument 2023/669](#) and Section B of [RG 148](#); and
 - (c) MDA services provider—see [ASIC Corporations \(Managed Discretionary Account Services\) Instrument 2016/968](#) and Section C of [RG 179](#).

How to apply for approval of alternative arrangements

- RG 1.243 As an alternative to holding PI insurance, you can apply for ASIC approval of alternative compensation arrangements through the [ASIC Regulatory Portal](#).
- RG 1.244 Your application for ASIC approval of alternative compensation arrangements will need to address the following:
- (a) which licensee(s) will be covered by the arrangements (e.g. do the arrangements cover a group of related licensees or an industry sector?);
 - (b) how the arrangements are equivalent to PI insurance having regard to the matters set out in reg 7.6.02AAA(1) (see Section C of [RG 126](#));
 - (c) any benefits, risks or costs to retail clients arising from the licensee(s) using these arrangements as opposed to PI insurance; and
 - (d) any circumstances particular to the licensee(s) or the industry sector that make these arrangements more appropriate than PI insurance.

RG 1.245 We will generally ask for an expert's report (e.g. actuarial report) to be submitted with the application to assess whether the arrangements give no less protection than professional indemnity insurance.

RG 1.246 It will take time to assess alternative compensation arrangements so you should start this process early (i.e. at the same time or shortly after you apply for your AFS licence). As we cannot grant your final licence until you have obtained the necessary approval, not applying for approval of alternative compensation arrangements early is likely to result in additional delays.

Applying for ASIC approval of guarantee from APRA-regulated entity

RG 1.247 If you are a company or institution, or a body related to a company or institution within the meaning of s50, that is related to a general insurance company regulated by APRA under the *Insurance Act 1973*, a life insurance company regulated by APRA under the *Life Insurance Act 1995*, or an authorised deposit-taking institution regulated by APRA under the *Banking Act 1959*, you may also apply to ASIC to accept a guarantee from that related body: see reg 7.6.02AAA.

RG 1.248 Again, it will take time to assess whether ASIC will accept a guarantee under this alternative, so start the application process early as we cannot grant your final licence until you have obtained the necessary approval.

Appendix: Examples of financial product authorisations and financial product categories

The examples in this appendix are not exhaustive and are not intended to represent ASIC imposing a particular rule or requirement when assessing your application. We will consider each application based on the information available and the licence authorisations applied for. These examples are illustrative only and cover activities where a licensee may be a product issuer and/or an intermediary. While we refer to other information you may need to consider in selecting authorisations, the list is not exhaustive.

Table 2: Financial services authorisations available under an AFS licence

Financial services	Example of business model/activity	Other financial services authorisations a licensee may also require (not exhaustive)
<p>Provide financial product advice (commonly referred to as 'advising'): see s766A(1)(a), 766B, 910A, reg 7.6.04(3) and RG 1.49–RG 1.51.</p> <p>Note: Many applicants seek to hold an authorisation to provide general advice, as this enables them to give financial product advice (e.g. recommendations) without considering the client's personal objectives, financial situation and needs. For additional guidance see RG 36 and RG 175</p>	<p>Financial planners (personal advice)</p> <p>Financial product issuers and non-product issuer-intermediaries (general advice)</p>	<p>Deal—Issue, apply for, acquire, vary or dispose of a financial product</p> <p>Deal—Apply for, acquire, vary or dispose of a financial product on behalf of another person</p> <p>Arrange for another person to—Issue, apply for, acquire, vary or dispose of a financial product</p> <p>Arrange for another person to—Apply for, acquire, vary or dispose of a financial product</p>
<p>Deal in a financial product (dealing comprises a range of activities which means you can select one or more of these activities depending on the type of dealing you are proposing to undertake): see s766A(1)(b) and 766C and RG 1.52–RG 1.56.</p> <p>Note: Many applicants seek to hold an authorisation to deal, as this enables them to deal in financial products as principal or agent, for example, to issue, apply for, acquire or dispose of a financial product. For additional guidance see RG 36.</p>	<p>Financial product issuers</p> <p>Investment managers</p> <p>Responsible entities</p> <p>Wholesale fund operators</p> <p>Financial planners</p>	<p>Depending on the business model, some of the other financial services authorisations may also be applicable</p>

Financial services	Example of business model/activity	Other financial services authorisations a licensee may also require (not exhaustive)
Make a market for a financial product: see s766A(1)(c) and 766D, and RG 1.57–RG 1.58	Banks and investment banks (local and international) Principal traders OTC traders FX remittance providers Carbon/energy market participants and traders	Depending on the business model, some of the other financial services authorisations may also be applicable
Operate a registered scheme: see s766A(1)(d) and 601EB, RG 1.59–RG 1.68 and Regulatory Guide 131 <i>Funds management: establishing and registering a fund</i> (RG 131)	Responsible entities (see s601FA–FE)	Deal—Issue, apply for, acquire, vary or dispose of a financial product Deal—Apply for, acquire, vary or dispose of a financial product on behalf of another person General or personal advice about a financial product
Operate a wholesale scheme: see s601ED, RG 1.69–RG 1.70 and INFO 251	Wholesale scheme operators	Deal—Issue, apply for, acquire, vary or dispose of a financial product Deal—Apply for, acquire, vary or dispose of a financial product on behalf of another person General or personal advice about a financial product Custodial or depository service (not including custody for holding assets of scheme)
Provide a custodial or depository service: see s766A(1)(e) and 766E, reg 7.1.40, RG 1.82–RG 1.90, RG 133 , and RG 148	Custodians	Deal—Issue, apply for, acquire, vary or dispose of a financial product Deal—Apply for, acquire, vary or dispose of a financial product on behalf of another person General or personal advice about a financial product

Financial services	Example of business model/activity	Other financial services authorisations a licensee may also require (not exhaustive)
Provide traditional trustee company services: see s766A(1A) and 601RAC(1), and RG 1.91–RG 1.96	Traditional Trustee Companies (see Schedule 8AA of the Corporations Regulations)	Deal—Apply for, acquire, vary or dispose of a financial product on behalf of another person General or personal advice about a financial product
Provide a crowd-funding service: see s766A(1)(ea) and 766F, RG 1.97–RG 1.102, RG 261 and RG 262	Crowd sourced funding platform operators	Deal—Apply for, acquire, vary or dispose of a financial product on behalf of another person General or personal advice about a financial product Custodial or depository service
Provide a claims handling and settling service: see s766A(1)(eb) and 766G(1), RG 1.103–RG 1.106 and Information Sheet 253 <i>Claims handling and settling: How to comply with your AFS licence obligations</i> (INFO 253)	APRA-approved insurers and insurance brokers Insurance claims handling businesses	Deal—Issue, apply for, acquire, vary or dispose of a financial product (if APRA-regulated) Deal—Apply for, acquire, vary or dispose of a financial product on behalf of another person Arrange for another person to—Issue, apply for, acquire, vary or dispose of a financial product Arrange for another person to—Apply for, acquire, vary or dispose of a financial product General or personal advice about a financial product
Provide a superannuation trustee service: see s766A(1)(ec) and 766H, RG 1.107–RG 1.109 and INFO 86	Trustees of a registrable superannuation entity	Deal—Issue, apply for, acquire, vary or dispose of a financial product Deal—Apply for, acquire, vary or dispose of a financial product on behalf of another person General or personal advice about a financial product

Financial services	Example of business model/activity	Other financial services authorisations a licensee may also require (not exhaustive)
Operate the business and conduct the affairs of a corporate collective investment vehicle (CCIV): see s1222, RG 1.71–RG 1.81 and INFO 272	Corporate directors of a CCIV (see s1224)	Deal—Issue, apply for, acquire, vary or dispose of a financial product Deal—Apply for, acquire, vary or dispose of a financial product on behalf of another person General or personal advice about a financial product

Table 3: Financial product categories covered under an AFS licence

Financial product categories	Example business model/activity	Financial services authorisations that may relate to this financial product category (not exhaustive)
Carbon credits—including Australian carbon credit units (ACCU) and eligible international emissions units (EIEUs): see s9, 764A(1)(ka) and (kb) For more information, see also Regulatory Guide 236 <i>Do I need an AFS licence to participate in carbon markets?</i> (RG 236) and Information Sheet 156 <i>Regulated emissions units: Applying for or varying an AFS licence</i> (INFO 156)	Carbon credit participants and dealers Derivatives dealers (electricity)	Deal—Issue, apply for, acquire, vary or dispose of the financial product Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product Arrange for another person to—Apply for, acquire, vary or dispose of the financial product General or personal advice about the financial product

Financial product categories	Example business model/activity	Financial services authorisations that may relate to this financial product category (not exhaustive)
Deposit products—including basic and non-basic deposit products: see s9 and 764A(1)(i)	<p>APRA-regulated bodies such as authorised deposit-taking institutions (ADI)</p> <p>Market and CS participants</p> <p>Intermediaries and brokers</p> <p>Financial planners</p>	<p>Deal—Issue, apply for, acquire, vary or dispose of the financial product (if APRA-regulated)</p> <p>Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person</p> <p>Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Arrange for another person to—Apply for, acquire, vary or dispose of the financial product</p> <p>General or personal advice about the financial product</p>
Derivatives: see s764A(1)(c) and 761D, RG 1.114—RG 1.115 and Regulatory Guide 212 <i>Client money relating to dealing in OTC derivatives</i> (RG 212)	<p>Derivatives issuers (including exchange traded, OTC, electricity, carbon)</p> <p>Intermediaries (including futures brokers)</p> <p>Investment banks</p> <p>ADIs</p> <p>Scheme operators</p>	<p>Deal—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person</p> <p>Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Arrange for another person to—Apply for, acquire, vary or dispose of the financial product</p> <p>General or personal advice about the financial product</p> <p>If issuer, can be limited to hedging only or not hedging only.</p>

Financial product categories	Example business model/activity	Financial services authorisations that may relate to this financial product category (not exhaustive)
Foreign exchange (FX) contracts: see s764A(1)(k) and 761A, and RG 1.114–RG 1.115	FX contracts issuers Intermediaries and brokers Scheme operators International funds remittance services provider	Deal—Issue, apply for, acquire, vary or dispose of the financial product Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product Arrange for another person to—Apply for, acquire, vary or dispose of the financial product General or personal advice about the financial product If issuer, can be limited to hedging only or not hedging only
General insurance: see s764A(1)(d)	APRA-regulated general insurers Financial planners Intermediaries and brokers	Deal—Issue, apply for, acquire, vary or dispose of the financial product Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product Arrange for another person to—Apply for, acquire, vary or dispose of the financial product General or personal advice about the financial product

Financial product categories	Example business model/activity	Financial services authorisations that may relate to this financial product category (not exhaustive)
Government debentures, stocks or bonds: see s9 and 764A(1)(j)	Government bodies (that are not relying on being exempt) Intermediaries and brokers	Deal—Issue, apply for, acquire, vary or dispose of the financial product Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product Arrange for another person to—Apply for, acquire, vary or dispose of the financial product General or personal advice about the financial product
Life products—including any products issued by a registered life insurance company that are backed by one or more of its statutory funds: see s764A(e)	APRA-regulated life insurers Financial planners Intermediaries and brokers	Deal—Issue, apply for, acquire, vary or dispose of the financial product Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product Arrange for another person to—Apply for, acquire, vary or dispose of the financial product General or personal advice about the financial product

Financial product categories	Example business model/activity	Financial services authorisations that may relate to this financial product category (not exhaustive)
<p>Managed investment schemes—including interests in both registered and unregistered schemes: see s9, 764A(1)(b) and (ba)</p> <p>For more information on:</p> <ul style="list-style-type: none"> IDPS-like schemes, see RG 148 mortgage investment schemes, see RG 144 schemes that invest in, or provide direct exposure to, crypto-assets that are not financial products, see INFO 225 MDA services, see RG 179 strata schemes and management rights schemes, see Regulatory Guide 140 <i>Strata schemes and management rights schemes</i> (RG 140) time-sharing schemes, see RG 160 	<p>Responsible entities (registered schemes)</p> <p>Wholesale scheme operators (unregistered schemes)</p> <p>IDPS/platform operators</p> <p>MDA services providers</p> <p>Financial planners</p>	<p>Deal—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person</p> <p>Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Arrange for another person to—Apply for, acquire, vary or dispose of the financial product</p> <p>Operate a registered scheme (responsible entity only)</p> <p>General or personal advice about the financial product</p>
<p>Margin lending facilities—including standard margin lending facilities and non-standard margin lending facilities: see s761EA and 764A(1)(l), and RG 1.120–RG 1.121</p> <p>For more information, see also Information Sheet 100 <i>Margin lending: Getting or varying an AFS licence</i> (INFO 100)</p>	<p>Margin loan lenders</p> <p>Market participants</p> <p>Financial planners</p>	<p>Deal—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person</p> <p>Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Arrange for another person to—Apply for, acquire, vary or dispose of the financial product</p> <p>General or personal advice about the financial product</p>

Financial product categories	Example business model/activity	Financial services authorisations that may relate to this financial product category (not exhaustive)
<p>Non-cash payment facilities: see s763A and 763D</p> <p>For more information, see also Regulatory Guide 185 <i>Non-cash payment facilities</i> (RG 185) and ASIC Corporations (Non-cash Payment Facilities) Instrument 2016/211</p>	<p>Electronic funds transfer platforms and services</p> <p>Intermediaries</p>	<p>Deal—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person</p> <p>Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Arrange for another person to—Apply for, acquire, vary or dispose of the financial product</p> <p>General or personal advice about the financial product</p>
<p>Retirement savings account products: see s764A(1)(h). For the definition of 'retirement savings account', see s8 of the <i>Retirement Savings Accounts Act 1997</i></p>	<p>APRA-regulated superannuation fund trustees</p> <p>Financial planners</p>	<p>Deal—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person</p> <p>Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Arrange for another person to—Apply for, acquire, vary or dispose of the financial product</p> <p>General or personal advice about the financial product</p>

Financial product categories	Example business model/activity	Financial services authorisations that may relate to this financial product category (not exhaustive)
Securities: see s92 and 764A(1)(a)	<p>Market and clearing participants</p> <p>Stockbrokers</p> <p>Financial planners</p> <p>Financial companies (debentures)</p>	<p>Deal—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person</p> <p>Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Arrange for another person to—Apply for, acquire, vary or dispose of the financial product</p> <p>General or personal advice about the financial product</p>
Superannuation—including interests in self-managed superannuation funds and a client's existing superannuation holding: see s764A(1)(g)	<p>Financial planners</p> <p>Limited AFS licensees (e.g. accountants who provide SMSF related financial product advice)</p> <p>Registrable superannuation entities</p>	<p>Deal—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person</p> <p>Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Arrange for another person to—Apply for, acquire, vary or dispose of the financial product</p> <p>General or personal advice about the financial product</p>

Financial product categories	Example business model/activity	Financial services authorisations that may relate to this financial product category (not exhaustive)
Other—Miscellaneous financial investment products and miscellaneous financial risk products: see s763A, 763B and 763C, and RG 1.122–RG 1.125	<p>Discretionary mutual fund operators (miscellaneous risk products)</p> <p>Scheme operators</p> <p>APRA-regulated bodies</p>	<p>Deal—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Deal—Apply for, acquire, vary or dispose of the financial product on behalf of another person</p> <p>Arrange for another person to—Issue, apply for, acquire, vary or dispose of the financial product</p> <p>Arrange for another person to—Apply for, acquire, vary or dispose of the financial product</p> <p>General or personal advice about the financial product</p>

Key terms

Term	Meaning in this document
ABN	Australian Business Number
ACN	Australian Company Number
ADI	An authorised deposit-taking institution—a corporation that is authorised under the <i>Banking Act 1959</i> . ADIs include: <ul style="list-style-type: none"> • banks; • building societies; and • credit unions
AFCA	Australian Financial Complaints Authority—the external dispute resolution scheme for which an authorisation under Pt 7.10A of the Corporations Act is in force
AFS licence	An Australia financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services <p>Note: This is a definition contained in s9 of the Corporations Act.</p>
AFS licensee	A person who holds an AFS licence under s913B of the Corporations Act
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
ASLF	Adjusted surplus liquid funds
Australian passport fund	A registered scheme or sub-fund of a retail CCIV that is also registered as a passport fund under Part 8A.3 of the Corporations Act
authorised representative	A person authorised by an AFS licensee, in accordance with s916A or 916B of the Corporations Act, to provide a financial service or services on behalf of the licensee <p>Note: This is a definition contained in s9 of the Corporations Act.</p>
body regulated by APRA	Has the meaning given in s3(2) of the <i>Australian Prudential Regulation Authority Act 1998</i>
CCIV	A corporate collective investment vehicle—a company that is registered as a corporate collective investment vehicle under the Corporations Act <p>Note: This is a definition contained in s9 of the Corporations Act.</p>
CCIV assets	Means the money and property of a CCIV, including assets of the CCIV's sub-fund

Term	Meaning in this document
CCIV security	A security in a CCIV
claims handling and settlement service	Has the meaning given in s766G of the Corporations Act
control	Has the meaning given in s910B of the Corporations Act
corporate director	The company named in ASIC's record of the CCIV's registration as the corporate director or temporary corporate director of the CCIV Note: This is a definition contained in s1224(3) of the Corporations Act.
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
Corporations Regulations	<i>Corporations Regulations 2001</i>
crowd-funding service	Has the meaning given in s766F of the Corporations Act
crypto-asset	A digital representation of value or contractual rights (including rights to property), the ownership of which is evidenced cryptographically and that is held and transferred electronically by: <ul style="list-style-type: none"> • a type of distributed ledger technology; or • another distributed cryptographically verifiable data structure
CSF	Crowd-sourced funding
CSF intermediary	An AFS licensee whose licence expressly authorises the licensee to provide a crowd-funding service Note: See s738C of the Corporations Act.
CSF offer	An offer of ordinary shares that is made under the CSF regime in Pt 6D.3A of the Corporations Act Note: See s738B of the Corporations Act.
CSF offer document	A document setting out the terms of a CSF offer that complies with s738J of the Corporations Act
CSF regime	The statutory regime for crowd-sourced funding in Pt 6D.3A of the Corporations Act regulating CSF offers
eligible CSF company	A company that meets the requirements in s738H of the Corporations Act to be eligible to make a CSF offer
financial services laws	Has the meaning given in s761A of the Corporations Act

Term	Meaning in this document
fit and proper person	<p>A person who ASIC must have no reason to believe is not fit and proper to perform one or more of their functions under s913BA of the Corporations Act, including:</p> <ul style="list-style-type: none"> • if you are a body corporate—each of your officers; • if you are a partnership or multiple trustee: <ul style="list-style-type: none"> – any partners or trustees; and – any senior managers of the partnership or trust; • if you are an individual—you; • any person who ‘controls’ you, as the applicant (referred to as a controller); and • any officer, partner, trustee or senior manager of a controller <p>Note: See s910B of the Corporations Act for the definition of ‘control’.</p>
foreign AFS licence	<p>A modified AFS licence issued to a foreign financial services provider that:</p> <ul style="list-style-type: none"> • provides financial services to wholesale clients in Australia; and • is regulated by an overseas regulatory regime that ASIC has determined is sufficiently equivalent to the Australian regulatory regime
foreign financial services provider	<p>A financial services provider that is regulated by an overseas regulatory authority and that wishes to provide financial services in Australia</p>
general obligations	<p>The obligations of an AFS licensee under s912A(1) of the Corporations Act</p>
IDPS	<p>Has the meaning given in ASIC Corporations (Investor Directed Portfolio Services) Instrument 2023/669 or any instrument that amends or replaces that instrument</p>
incidental provider	<p>Has the meaning given in ASIC Corporations (Financial Requirements for Custodial or Depository Service Providers) Instrument 2023/648</p>
limited financial services	<p>Has the meaning given in regs 7.6.04(3), 7.8.12A(2) and 7.8.14B(3) of the Corporations Regulations</p>
MDA	<p>Managed discretionary account</p>
MDA service	<p>Has the meaning given in ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968</p>
NTA	<p>Net tangible assets—see Section E of RG 166 for the meaning of this term</p>
officer	<p>Has the meaning given in s9 of the Corporations Act in relation to an ‘officer of a corporation’</p>
OTC	<p>Over the counter</p>

Term	Meaning in this document
overseas regulatory authority	The relevant regulatory authority of the foreign financial services provider in its home jurisdiction
overseas regulatory regime	The regulatory regime supervised and administered by the overseas regulatory authority
PF 209 (for example)	An ASIC pro forma (in this example numbered 209)
platform	In this guide, a website or other electronic facility provided by the CSF intermediary to host a CSF offer
registered scheme	A managed investment scheme that is registered under s601EB of the Corporations Act
reg 7.6.04 (for example)	A regulation of the Corporations Regulations (in this example numbered 7.6.04)
regulated superannuation fund	Has the meaning given in the <i>Superannuation Industry (Supervision) Act 1993</i>
representative	Means: <ul style="list-style-type: none"> • an authorised representative of the licensee; • an employee or director of the licensee; • an employee or director of a related body corporate of the licensee; or • any other person acting on behalf of the licensee <p>Note: This is a definition contained in s9 of the Corporations Act.</p>
responsible entity	A responsible entity of a registered scheme as defined in s9 of the Corporations Act
retail CCIV	A CCIV that satisfies the retail CCIV test in s1222K of the Corporations Act or is notified as a retail CCIV under s1222L of the Corporations Act <p>Note: This is a definition contained in s1222J of the Corporations Act.</p>
RG 105 (for example)	An ASIC regulatory guide (in this example numbered 105)
RSE licensee	A registrable superannuation entity licensee—has the meaning given in s10 of the <i>Superannuation Industry (Supervision) Act 1993</i>
s1308 (for example)	A section of the Corporations Act (in this example numbered 1308)
Sch 1 (for example)	A schedule to a set of regulations (in this example numbered 1), unless otherwise specified

Term	Meaning in this document
senior manager	Has the meaning given by s9 of the Corporations Act in relation to a partnership or trust as a person, other than a partner or trustee, who: <ul style="list-style-type: none"> • makes, or participates in making, decisions that affect the whole, or a substantial part, of the business or affairs of the partnership or trust; and • has the capacity to affect significantly the financial standing of the partnership or trust
simple managed investment scheme	A registered scheme that invests at least 80% of its assets in a bank account where funds can be withdrawn within three months, or in arrangements where the investments can be realised at market value within 10 days: see reg 1.0.02 of the Corporations Regulations
SLF	Surplus liquid funds
sub-fund	Has the meaning given in s1222Q of the Corporations Act <p>Note: A sub-fund is established on the day on which it is registered: see s1222T of the Corporations Act.</p>
superannuation trustee service	Has the meaning given in s766H of the Corporations Act
traditional trustee company services	Has the meaning given in s601RAC of the Corporations Act, and includes: <ul style="list-style-type: none"> • performing estate management functions (as defined in s601RAC(2) of the Corporations Act); • preparing a will, a trust instrument, a power of attorney or an agency arrangement; • applying for probate of a will, applying for grant of letters of administration, or electing to administer a deceased estate; • establishing and operating common funds; and • any other services prescribed by the Corporations Regulations as traditional trustee company services
trustee company	Has the meaning given in s601RAB of the Corporations Act
TTMR Act	<i>Trans-Tasman Mutual Recognition Act 1997</i>
wholesale CCIV	A CCIV that is not a retail CCIV <p>Note: This is a definition contained in s1222J of the Corporations Act.</p>
you	Applicant for an AFS licence or a variation to an AFS licence

Related information

Headnotes

adequacy of resources, AFS licence, AFS licensee, Australian financial services licence, authorisations, body corporate, CCIV, class of product advice, compensation arrangements, compliance arrangements, corporate collective investment vehicle, corporate director, dispute resolution, financial services business, financial products, financial services, fit and proper person, foreign AFS licence, foreign financial services providers, general obligations, limited financial services, managed investment scheme, multiple trustee, organisational competence, partnership, registered scheme, representatives, responsible managers, risk management, variation

Regulatory guides

[RG 36](#) *AFS licensing: Financial product advice and dealing*

[RG 104](#) *AFS licensing: Meeting the general obligations*

[RG 105](#) *AFS licensing: Organisational competence*

[RG 126](#) *Compensation and insurance arrangements for AFS licensees*

[RG 133](#) *Funds management and custodial services: Holding assets*

[RG 140](#) *Strata schemes and management rights schemes*

[RG 144](#) *Mortgage investment schemes*

[RG 146](#) *Licensing: Training of financial product advisers*

[RG 148](#) *Platforms that are managed investment schemes and nominee and custody services*

[RG 160](#) *Time-sharing schemes*

[RG 166](#) *AFS licensing: Financial requirements*

[RG 175](#) *AFS licensing: Financial product advisers—Conduct and disclosure*

[RG 176](#) *Foreign financial services providers*

[RG 179](#) *Managed discretionary accounts*

[RG 181](#) *Licensing: Managing conflicts of interest*

[RG 185](#) *Non-cash payment facilities*

[RG 204](#) *Applying for and varying a credit licence*

[RG 212](#) *Client money relating to dealing in OTC derivatives*

[RG 236](#) *Do I need an AFS licence to participate in carbon markets?*

[RG 259](#) *Risk management systems of responsible entities*

[RG 261](#) *Crowd-sourced funding: Guide for public companies*

[RG 262](#) *Crowd-sourced funding: Guide for intermediaries*

[RG 267](#) *Oversight of the Australian Financial Complaints Authority*

[RG 271](#) *Internal dispute resolution*

Information sheets

[INFO 86](#) *How do RSE and AFS licensing application processes work together?*

[INFO 100](#) *Margin lending: Getting or varying an AFS licence*

[INFO 156](#) *Regulated emissions units: Applying for or varying an AFS licence*

[INFO 225](#) *Crypto-assets*

[INFO 235](#) *Claims handling and settling: How to comply with your AFS licence obligations*

[INFO 251](#) *AFS licensing requirement for trustees of unregistered managed investment schemes*

[INFO 272](#) *How to register a CCIV and a sub-fund*

[INFO 294](#) *FAQs: AFS licence applications*

Legislative instruments and pro formas

[ASIC Corporations \(Financial Requirements for Custodial or Depository Service Providers\) Instrument 2023/648](#)

[ASIC Corporations \(Foreign Financial Services Providers—Foreign AFS Licensees\) Instrument 2020/198](#)

[ASIC Corporations \(Investor Directed Portfolio Services Provided Through a Registered Managed Investment Scheme\) Instrument 2023/668](#)

[ASIC Corporations \(Investor Directed Portfolio Services\) Instrument 2023/669](#)

[*ASIC Corporations \(Managed Discretionary Account Services\) Instrument 2016/968*](#)

[*ASIC Corporations \(Non-cash Payment Facilities\) Instrument 2016/211*](#)

[*PF 209 Australian financial services licence conditions*](#)

Legislation

Australian Prudential Regulation Authority Act 1998, s3

Banking Act 1959

Copyright Act 1968

Corporations Act 2001, Chs 5C and 7; Pts 6D.3A, 7.8, 7.10A and 8A.3; Pt 7.6, Div 8, Subdiv 8; Pt 7.8, Div 2; s9, 92, 50, 601EB, 601ED, 601FA, 601RAB, 601RAC, 738B, 738C, 738H, 738J, 738L, 761A, 761D, 761E, 761EA, 761G, 761GA, 763A, 763B, 763C, 764A, 766A, 766B, 766C, 766D, 766E, 766F, 766G, 766H, 767A, 768A, 769B, 910A, 910B, 912A, 912B, 913B, 913BA, 913BB, 913C, 915B, 916A, 916B, 916F, 923B, 925E, 990B, 1224, 1224F, 1222J, 1222K, 1222L, 1222Q, 1222T and 1676A–1676C

Corporations Regulations 2001, Pt 7.1, Div 2; Sch 8AA; regs 1.0.02, 6D.3A.01, 7.1.40, 7.6.01, 7.6.02AAA, 7.6.03, 7.6.04, 7.8.12A and 7.8.14B

Crimes Act 1914, Pt VIIC

Financial Markets Conduct Act 2013 (New Zealand)

Insurance Act 1973

Life Insurance Act 1995

National Consumer Credit Protection Act 2009, Pt 2-4

Retirement Savings Accounts Act 1997, s8

Statutory Declaration Regulations 2023, Sch 1

Superannuation Industry (Supervision) Act 1993, s10

Trans-Tasman Mutual Recognition Act 1997, s18

Other documents

APRA Prudential Standard [*CPS 520 Fit and proper*](#)

[*AS 10002:2022 Guidelines for complaint management in organizations*](#)