

Credit Ombudsman Service

Member News Issue 28

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In this issue of Member News we talk about ASIC's credit licensing requirements for the National Credit Protection Act and how this affects your COSL membership if you are engaging in credit activities.

ASIC Registration Requirements

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COSL Membership & ASIC Registration Requirements

We have received a large number of enquiries due to the new credit licensing registration requirements of the National Consumer Credit Protection Act ('NCCP Act'). As many Members know, in order to register, you will first need to join an external dispute resolution scheme (EDR scheme'), such as COSL.

It appears that some of our Members may not be fully complying with the credit licensing registration requirements being administered by ASIC. This may cause problems or delays for them when they make application for an Australian Credit Licence after 1 July 2010.

ASIC's Credit Licensing Registration page can be found at:

<http://www.asic.gov.au/asic/asic.nsf/byheadline/Registration+and+transition?openDocument>.

A person wishing to continue credit activities after 30 June 2010 must register for a credit licence with ASIC, preferably no later than 18 June 2010, unless they are only intending to engage in credit activities on behalf of another person (for e.g. as an employee or director or as a credit representative). This applies irrespective of whether you engage in credit activities in your capacity as an individual, a partnership, a trustee or a company.

A Few Important Points:

1. The law requires that each person who registers for a credit licence must have their own EDR membership. In other words, one registrant's EDR membership cannot cover another registrant under any circumstances.

So for example, if a person wants to register him or herself individually and also the company under which he or she trades, both the person and the company must each have separate COSL memberships; i.e. one for the company and one for the individual person.

2. The name in which your registration is made must be the same as the name appearing in your COSL membership.
3. Employees and directors of a registering company do not need to be registered, unless they are also engaging in credit activities in their own right or on behalf of another non-related company (in which case, they will each need separate COSL membership).
4. The name in which your registration is made cannot be your business trading name or the name of a trust (only the trustee can register).

If you would like more information please contact the Credit Ombudsman Service

Case Management: T 02 9273 8400 E info@cosl.com.au
Membership: T 02 9273 8455 E members@cosl.com.au

What Happens Once I Register?

Once you have registered with ASIC, you can then apply for your credit licence on or after 1 July 2010. On renewing your Membership with COSL after the 1 July 2010, we will ask you for your licence number which we will record against your membership.

If you have any question about this issue or if you wish to check your COSL membership status, please contact us on 02 9273 8455 or email members@cosl.com.au

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