

Article Information

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Royal Commission Round 7 update

Round 7 of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was held during the second half of November, focusing on policy questions arising from the first six rounds. The hearings heard from representatives of the major banks as well as government regulators ASIC and APRA.

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In response to the Interim Report which was released prior to the seventh round, Rowena Orr highlighted ten common areas of agreement from respondents to the interim report:

1. Simplify the law
2. Clarify the role of mortgage brokers
3. End grandfathered commission payments to financial advisers from superannuation accounts
4. Simplify disclosure requirements
5. Improve accessibility of banking services to regional and remote areas, including support for a national Farm Debt Mediation Scheme
6. Bring expenses only funeral insurance within Chapter 7 of the Corporations Act and Division 2 II of the ASIC Act
7. Impose civil penalties for a breach of the requirements in the Superannuation Industry (Supervision) Act (**SIS Act**) to do with trustees exercising powers on the best interest of beneficiaries
8. Sell add-on insurance through a deferred sales model
9. Extend UCT to insurance contracts, and
10. Introduce a compensation scheme of last resort.

The final report is due to be submitted to the Governor-General by 1 February 2019.