

Key AFSL Requirements

How do I get an AFSL, you ask? Here, we outline the key requirements required for apply for and obtaining an AFSL.

If you decide to obtain an AFSL, it is critical that you understand the key obligations imposed on the licensee.

The key obligations are detailed in section 912A of the Corporations Act and also discussed in [ASIC Regulatory Guide 104 \(Licensing: Meeting the general obligations\)](#). They require that you as licensee:

- Do all things necessary to ensure that the financial services covered by your licence are provided efficiently, honestly and fairly;
- Have adequate arrangements in place for managing conflicts of interest;
- Comply with the conditions on your licence;
- Comply with the financial services laws which are quite broad;
- Take reasonable steps to ensure that your representatives comply with the financial services laws;
- Where not regulated by APRA have adequate financial, technological and human resources to provide the financial services covered by your licence and to carry out supervisory arrangements;
- If you operate an Australian passport fund, or if you are a person with responsibilities in relation to an Australian passport fund, comply with the law of each host economy for the fund;
- Maintain the competence to provide the financial services covered by your licence (this is through the Responsible Managers);
- Ensure that your representatives are adequately trained and competent to provide those financial services;
- If you provide financial services to retail clients, have a dispute resolution system which includes being a member of an ASIC approved external dispute resolution scheme; and
- Where not regulated by APRA, establish and maintain adequate risk management systems.

Other key obligations include:

- Maintaining appropriate professional indemnity insurance;
- Appointing an ASIC registered company auditor; and
- Maintaining minimum financial obligations including having sufficient resources to meet your anticipated cash flow expenses.

Still have questions?

See our other Fact Sheets from our AFSL Series below:

1. [Do I need an Australian Financial Services Licence \(AFSL\)?](#)
2. [Should I have my own AFSL?](#)
3. [The AFSL Application Process](#)
4. [AFSL Costs](#)
5. [Top 10 Tips for a successful AFSL Application](#)

Or contact us to speak to one of our consultants.

Contact us

W: www.hnlaw.com.au

E: info@hnlaw.com.au

Ph: +61 3 9670 8200

This fact sheet is a summary only intended to promote and assist discussion. The document is subject to a Creative Commons Licence – www.creativecommons.org. The author is Holley Nethercote Pty Ltd (ACN 068 367 046) trading as Holley Nethercote Lawyers and trading as Holley Nethercote Compliance. Liability limited by a scheme approved under Professional Standards Legislation. HN Documents is a service provided by Holley Nethercote Compliance. To attribute the author, please provide this link to www.hnlaw.com.au. This fact sheet does not constitute legal advice, and is current as at May 2020.