

APPENDIX 6: DISTRIBUTION REQUIREMENTS FOR LIABILITY PRODUCTS

INSTITUTION	PRODUCTS	REGULATOR	DISTRIBUTION REQUIREMENTS
Banks	<ul style="list-style-type: none"> • Deposits 	Reserve Bank	<ul style="list-style-type: none"> • Sold through bank employees. • No specific advice requirements for bank products • Trade Practices legislation • Complaints dealt with through banking ombudsman
Life Insurance Companies	<ul style="list-style-type: none"> • Risk products, including life insurance, disability insurance, trauma insurance. 	ISC (life group)	<ul style="list-style-type: none"> • Sold through employees, agents and brokers • Insurance (Agents & Brokers) Act 1984. • Life Insurance Code of Practice. • Trade Practices legislation.
	<ul style="list-style-type: none"> • Investment (non-super) products, including insurance bonds. <p>May be:</p> <ul style="list-style-type: none"> • capital guaranteed or not • participating or not. <ul style="list-style-type: none"> • Superannuation 	ISC (super group)	<ul style="list-style-type: none"> • Generally advice is now mandatory unless client elects not to have it. • Highly prescriptive regulatory regime. • Complaints dealt with through life insurance complaints board [(self-regulatory)], and Superannuation Complaints Tribunal (legislatively based) where super.

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	<p>products</p> <p>May be:</p> <ul style="list-style-type: none"> • capital guaranteed or not • participating or not. 		
	<ul style="list-style-type: none"> • Annuities, which may be: <ul style="list-style-type: none"> – allocated – fixed term – life 	ISC (life group)	
Public Unit Trust Managers	<ul style="list-style-type: none"> • Non-super trust schemes 	ASC	<ul style="list-style-type: none"> • Corporations Law • Trade Practices legislation • Sold through licensed dealers, investment advisers and their representatives (proper authority holders) • Advice is not mandatory but if securities recommendations are given, “know your client” rule applies. • Non-prescriptive regulatory regime • No specific complaints mechanism
Superannuation Trustees	<ul style="list-style-type: none"> • Non-life insurance based super investment products <p>May include allocated pensions</p>	ISC (Super Group)	<ul style="list-style-type: none"> • SIS legislation (ISC’s 153 Determination) • Corporations Law • Trade Practices legislation • Governed through an overlap of SIS legislation and some (but not all) Corporations Law requirements. “Know your client” rule

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			<p>applies.</p> <ul style="list-style-type: none"> • Complaints dealt with by Superannuation Complaints Tribunal (legislatively based).