

Online Small Business Lenders Code of Practice Compliance Committee Terms of Reference



Australian
Finance
Industry
Association



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1. INTRODUCTION

Establishment

- 1.1 1.1 The Code Compliance Committee (CCC) is a committee of the Board established under the provisions of the Constitution.

Review

- 1.2 These Terms of Reference will be subject to review by the Board at any time.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

Unless the context indicates or requires otherwise:

AFIA means Australian Finance Industry Association Limited ACN 000 493 907 (including any Division) and includes any Subsidiary it might have from time to time.

Administrator has the meaning given to that term in clause 7.2.

Alleged Breach has the meaning given to that term in clause 10.1.

Board means the board of Directors of AFIA from time to time, acting as a board.

Business Day means a day which is not a Saturday, Sunday or public holiday in the place where the relevant act is to be performed.

By-Laws means a Protocol approved by the Board and setting out details for the operation and administration of an AFIA Group/Committee.

Chief Executive Officer means the chief executive officer of AFIA from time to time.

Code means a Code of Practice, Code of Lending Practice or Code of Conduct applicable to AFIA, a Division or a Group

which has been approved by the Board and for which the CCC has been given administrative and compliance responsibility.

Code Compliant Member has the meaning given to that term in the relevant Code.

Confidential Information has the meaning given to that term in clause 11.1.

Constitution means the constitution of AFIA, as amended from time to time.

Division means a designated division of AFIA.

Group means a designated division of a Division.

Member means a member of AFIA.



Protocol has the same meaning as in the Constitution and in this context refers to the Rules, By-Laws or other document dealing with the structure or administration of a Division, Group/Committee or other subdivision of AFIA.

Rules means a Protocol approved by the Board and setting out details for the operation and administration of an AFIA Division.

Sanction means a sanction or requirement authorised to be imposed by the relevant Code or other relevant Protocol.

Terms used in these Terms of Reference which are not defined in it but which are defined in the Constitution will have the same meaning as there defined.

Terms used in these Terms of Reference which are not defined in the Constitution but are defined in the Corporations Act 2001 (Cth), will have the same meaning as there defined.

Interpretation

2.2 Unless the context indicates or requires otherwise, in these Terms of Reference:

- a. headings are for convenience only and do not affect the interpretation of these Terms of Reference;
- b. reference to the singular includes the plural and vice versa;
- c. reference to a person includes a corporation and vice versa;
- d. reference to a body, a committee or a position of, or in relation to, AFIA, or to an official document relating to AFIA, means that body, committee, position or document from time to time;
- e. any term which is defined in the descriptions of the parties, the recitals or elsewhere in these Terms of Reference will have that defined meaning;
- f. where any word or phrase is defined in these Terms of Reference, any other grammatical form of that word or phrase will have a corresponding meaning;
- g. reference to an annexure or an appendix, or to a part, article or other subdivision, is to an annexure or appendix, or to a part, article or other subdivision, of these Terms of Reference;
- h. reference to a statute, ordinance, code or other law includes any amendment to it, any replacement of it and any statute, ordinance, code or other law intended to operate in conjunction with it and, in each instance, includes every regulation, rule and other instrument;
- i. reference to "month" is to a calendar month;
- j. all monetary amounts are in Australian dollars;
- k. "including" and similar expressions are not words of limitation; and
- l. reference to a function includes a reference to a power, authority and duty.

3. PURPOSE AND AUTHORITY

Purpose



- 3.1 The purpose of the CCC is to be an independent committee, approved by the Board to administer, and enforce compliance by Code Compliant Members with, Codes allocated by the Board to the CCC for such purpose.

Authority

- 3.2 authorised to investigate any activities within its Terms of Reference and, in carrying out its administrative, compliance and investigative roles, is authorised to take such actions as are within its powers and to recommend to the Board appropriate further actions.
- 3.3 The CCC will have unrestricted access to relevant records to carry out its task and will have the right to seek such additional information and explanations as (acting reasonably) it considers appropriate in the circumstances.

Guiding Principles

- 3.4 The CCC will:
- a. Act in a fair and effective manner with integrity and impartiality;
 - b. Be transparent and accountable;
 - c. Communicate with stakeholders and provide findings in the AFIA Annual Review; and
 - d. Promote the Code and its work.

Professional Advice

- 3.5 The CCC is authorised to obtain outside legal, financial, industry or other independent professional advice or information at AFIA's expense and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary to carry out its task.

4. COMPOSITION OF CCC

Number and Structure

- 4.1 The CCC will consist of three (3) members (each a CCC Member), as follows:
- a. three independent representatives with relevant experience at a senior level in finance in Australia appointed by the Board; and
 - b. an independent chairperson (CCC Chair) selected from those appointed in accordance with clause 4.1(a) appointed jointly by the Chief Executive Officer and the Chairperson of the Board.
- 4.2 In this clause 4, 'independent' means a person who is not currently, and has not within the previous 12 months been:
- a. a member of the Board; or
 - b. an employee or officer of a Code Compliant Member.

Term



- 4.3 Each CCC Member (including the CCC Chair) will hold office for a three-year term. A person who was, or is currently, a CCC Member is eligible for re-appointment to the CCC.

Roles

- 4.4 The CCC Chair will do all things necessary to ensure the duties and responsibilities of the CCC are effectively discharged.

5. CCC MEMBERS - TERMINATION AND RESIGNATION

Resignation

- 5.1 A CCC Officer may resign from the office during his/her term by giving the Board at least one months' notice in writing.

Termination

- 5.2 The Board may, at any time, terminate the appointment of a CCC Member:
- a. immediately by giving the CCC Member notice in writing (with a copy of the notice of termination to the Chief Executive Officer) if the CCC Member acts in a manner which is in breach of his/her obligations as set out in these Terms of Reference or the document appointing him/her; or
 - b. by giving the CCC Member at least seven days' notice in writing (with a copy of the notice of termination to the Chief Executive Officer).

6. CASUAL VACANCIES AND ALTERNATE MEMBERS

Casual Vacancies

- 6.1 A person may be appointed by the Board to fill a casual vacancy for a CCC Member. A person appointed to fill a casual vacancy:
- c. must satisfy the independence and experience requirements of clause 4.1 as if the appointment was an ordinary appointment for that position; and
 - d. will hold office until the term of casual vacancy ceases or the period during which their predecessor CCC Member would have held office expires, whichever occurs first.

Alternate CCC Members

- 6.2 A CCC Member may nominate an alternate to attend a meeting of the CCC which the CCC Member is unable to attend due to illness, absence from Australia, the existence of a material personal interest or conflict or other significant circumstances, provided that:
- a. the CCC Member has made reasonable enquiries to satisfy himself/herself that the person he/she proposes to nominate as an alternate does not have a material personal interest or conflict in relation to a matter that is to be considered at the relevant CCC meeting; and



- b. the CCC Member's nomination of his/her alternate is approved in writing by each of the other CCC Members and the Chief Executive Officer prior to the CCC meeting which the alternate is to attend having regard to, amongst other things, the independence requirements of clause 4.1.

6.3 A person appointed as an alternate may exercise all the powers of their appointer (other than the power to appoint an alternate), and is subject to all the requirements applying to the office of their appointer, at the meeting which they attend at which their appointer is not present.

7. FUNCTIONS AND RESPONSIBILITIES

Functions

- 7.1 7.1 The CCC is responsible for the independent administration and enforcement of each Code and, in doing so, has the following functions and responsibilities:
- a. consider (and, when applicable, approve) applications by Members which are not Code Compliant Members to become Code Compliant Members;
 - b. establish and maintain an up-to-date register of Code Compliant Members;
 - c. receive information and compliance reports from Code Compliant Members, to enable the CCC to monitor and report on each Code Compliant Member's adherence to the relevant Code(s) to standards determined by the CCC from time to time;
 - d. receive reports of alleged breaches of a Code and, at its discretion, investigate such reports;
 - e. make determinations in relation to reports of alleged breaches investigated by it;
 - f. recommend action to remedy a breach, alleged breach or potential breach of a Code, taking into account any measures related to any such breach that have been agreed with, or imposed on, a Code Compliant Member by any regulatory body;
 - g. oversee and monitor the implementation of any recommendation or any agreed measures imposed by it;
 - h. impose, at its discretion, Sanctions for a breach of the Code that is not corrected by the Code Compliant Member; and

exercise and perform such other acts as may be provided for from time to time in the By-Laws and / or Code, or which are incidental to any of the above functions and responsibilities.

Administrative Functions

- 7.2 The CCC may delegate some of its secretarial and administrative functions and responsibilities to a third party (Administrator) appointed by the CCC. The CCC must not delegate its power to administer a Code or to impose a Sanction in relation to Code non-compliance.

No Public Statements



- 7.3 The CCC will not make public statements on behalf of the AFIA except as contained in AFIA's Annual Review, as required in the performance of its functions and responsibilities or as authorised by these terms of Reference or otherwise authorised in writing by the Board.

Duties

- 7.4 In executing its duties and responsibilities, the CCC will:
- a. in a timely manner, keep the Board apprised of its activities and of any incidents of which the Board should be aware; and
 - b. recommend to the Board any changes to procedures to improve the operation of any Code.
- 7.5 The CCC will perform other duties and activities that the Board considers appropriate in the context of these Terms of Reference.

8. MEETINGS

Frequency

- 8.1 The CCC will meet as frequently as is required to effectively carry out its role and CCC Members will determine, from time to time, how they will discharge their responsibilities and will convene, adjourn or otherwise regulate meetings and proceedings of the CCC. At a minimum, the CCC will meet at least four times in each 12-month period.

Convening

- 8.2 Any CCC Member may call a meeting of the CCC.
- 8.3 Except in the case of an urgent meeting, a notice of each meeting, confirming the date, time, venue, and agenda, will be forwarded to each member of the CCC at least 10 Business Days prior to the date of the meeting. The notice will include relevant supporting papers for the agenda items to be discussed to enable decisions to be made on an informed basis.

Notice

- 8.4 A notice or agenda may be given by mail (electronic or otherwise), in person, or by facsimile transmission to the usual place of business or residence of the CCC Member or at any other address given to the CCC as a place for service of correspondence.

Attendance

- 8.5 Only the following people are entitled to attend a CCC meeting:
- a. a CCC Member or a CCC Member's alternate; and
 - b. any person invited to attend the meeting by the CCC Chair including any Administrator, a person providing evidence, information or advice in relation to a matter being dealt with by the CCC, a representative of a Code Compliant Member being investigated by the CCC, a representative of a Code Compliant Member or a person providing administrative assistance to the CCC.



In the case of a representative of a Code Compliant Member attending pursuant to paragraph (b) above, such representative's right to attend will not include any time at which a matter concerning another Code Compliant Member is being considered.

Quorum

- 8.6 A quorum for a meeting of the CCC will be three CCC Members (or their alternates) provided that, unless the Board has approved otherwise, there must be at least two CCC Members (and may not be more than one alternate) at any meeting.

Proceedings

- 8.7 Proceedings and meetings of the CCC will be held in such manner, and utilising such technology, as the CCC from time to time agrees and which are not inconsistent with these Terms of Reference. In the absence of any resolution to the contrary, the CCC may meet in any manner permitted for meetings of the Board and in accordance with provisions applicable to meetings of the Board.

Voting

- 8.8 Each CCC Member has one vote and every question arising at a CCC meeting shall be determined, on a show of hands or as otherwise determined by the CCC Chair, by a simple majority. The CCC Chair does not have a casting vote.

Minutes

- 8.9 Minutes of proceedings and resolutions of the CCC meeting will be taken and kept by the Administrator and distributed to all CCC Members for approval. Minutes, and the contents of minutes, must be kept confidential and all reasonable steps must be taken by all relevant people to preserve that confidentiality.

Material Personal Interest

- 8.10 If a CCC Member has a material personal interest or potential conflict in relation to a matter that is being considered at a CCC meeting, he/she must not:

- a. be present while the matter is being considered at the meeting; or
- b. vote on the matter,

unless:

- c. the CCC Member has notified the other CCC Members of their material personal interest or potential conflict; and
- d. the other CCC Members are satisfied that the material personal interest or potential conflict is not such as to disqualify the CCC Member from voting on the matter; and
- e. the nature of the material personal interest or potential conflict and the circumstances in which it was disclosed are recorded in the Minutes of that meeting; and
- f. the details of that minute, relevant determination and relevant reports on the matter are made available for inspection on request by any Code Compliant Member affected.



- 8.11 For the avoidance of doubt, a material personal interest or potential conflict for the purposes of clause 8.11 does not arise solely by reason of a CCC Member's previous employment with or holding of office of a Code Compliant Member, or by reason of the CCC Member being a borrower or other customer of a Code Compliant Member or a related body corporate.
- 8.12 The requirements in clause 8.11 have effect in addition to, and not in derogation of, any general law about conflicts of interest or conflicts of duties.

9. MONITORING CODE COMPLIANCE

- 9.1 The CCC may for the purposes of monitoring and enforcing compliance with a Code:
- a. without limiting the generality of any other provision of these Terms of Reference, including clause 3.3, make reasonable requests for a Code Compliant Member to provide the CCC with access to information, documents and systems which the CCC (acting reasonably) considers necessary or appropriate to carry out its functions and responsibilities;
 - b. seek independent professional legal, accounting, industry or other advice;
 - c. conduct enquiries on its own initiative and conduct audits of any Code Compliant Member's compliance with a relevant Code provided that any such audit is limited to (as applicable) an issue which relates to a complaint being investigated by the CCC or a specific issue which the CCC (acting reasonably) believes is of sufficient concern to warrant an audit; and
 - d. request each Code Compliant Member to lodge an annual attestation on its compliance with its relevant Code(s) in such form as the CCC may require from time to time but to include a certification by a director of the Code Compliant Member that it complies with the requirements of being a Code Compliant Member, including that its pro forma documents comply with relevant laws and are enforceable, including those dealing with unfair contracts.
- 9.2 The CCC may for the purpose of monitoring and assessing compliance with the Code, collect the following, but not limited to, data from Code Compliant Members:
- a. on a quarterly basis, information relating to any Alleged Breach, noting clause 6.4 of the AFIA Online Small Business Lenders Group By-Laws, which states that 'Each Code Compliant Member must act inform the CCC as soon as practical but no later than 10 Business Days if it becomes aware of any matter that is of such significance that it may reasonably bring disrepute to AFIA and / or to the Division and / or to the Group'
 - b. on a quarterly basis:
 - i. confirmation that, on their small business lending product page, it has a reference to the Code and provides a link to the AFIA website; and
 - ii. examples of how they have been publicising the Code – for example, but not limited to press / media / conference commentary, third party and staff education collateral.
 - c. The data will be:



- i. in a consistent form that is approved by the CCC, following consultation with Code Compliant Members; and
 - ii. used to conduct an assessment that allows Code Compliant Members to assess their Code compliance, relative to other Code Compliant Members.
- d. The CCC, for each period in which it collects data, will include the outcome of items clause 9.2 (a) and clause 9.2 (b) as part of its reporting commitments under clause 12.1(a) and (b) and clause 12.2 (a) and (b).

10. INVESTIGATING CODE COMPLIANCE AND ALLEGED BREACHES

Alleged Breach

- 10.1 The CCC may only commence an investigation of Code compliance:
- a. in response to an allegation from any person that a Code Compliant Member has, or may have, breached the relevant Code;
 - b. in response to a referral or report from an external stakeholder that a Code Compliant Member has, or may have, breached the relevant Code; or
 - c. in response to an allegation raised by an existing Code Compliant Member that a Code Compliant Member may be guilty of conduct which is unbecoming of a member of AFIA and / or the Group or prejudicial to the interests of AFIA and / or the Group or otherwise has failed to comply with its obligations under AFIA's Constitution; or
 - d. as an outcome of the CCC's monitoring process, if the CCC has reason to suspect that a Code Compliant Member may have breached the relevant Code (including in circumstances where a Code Compliant Member has self-identified a breach or potential breach);

(each an Alleged Breach).

Consideration of Alleged Breaches

- 10.2 The CCC may consider any Alleged Breach except that, subject to clause 10.3, the CCC must not consider an Alleged Breach in any of the following circumstances:
- a. Where the person complaining of the Alleged Breach (or another person acting on their behalf) is also seeking compensation or other redress for loss or detriment allegedly suffered by them arising from substantially the same facts.

In these situations, the Alleged Breach must be referred to the Code Compliant Member's internal dispute resolution and/or external dispute resolution schemes.

- b. Where an Alleged Breach is also the subject of a dispute under an external dispute resolution or conciliation scheme or the subject of an investigation by any regulatory body. In these situations, the CCC must await the final determination or findings under the relevant dispute resolution or conciliation scheme or of the relevant regulatory body before commencing any investigation.



Where this paragraph (b) applies, on completion of the proceedings under the relevant dispute resolution or conciliation scheme, the CCC can consider whether to undertake its own investigation of the Alleged Breach. If it does so, the CCC may have regard to any determination made by an external dispute resolution or conciliation scheme.

- c. To the extent that the Alleged Breach relates to a Code Compliant Member's commercial judgment including in decisions about lending or security. However, the CCC may consider an Alleged Breach where it is alleged that, in exercising its commercial judgment, the Code Compliant Member has breached the Code and / or has acted in a manner which is likely to bring disrepute to AFIA and / or to the Group.
- d. If the CCC thinks there is a more appropriate forum to deal with the Alleged Breach.
- e. If the CCC considers that the Alleged Breach is frivolous or vexatious.
- f. If the Alleged Breach is based on substantially the same events and facts as a previous Alleged Breach by the complainant to the CCC, unless there is new information.
- g. If the events to which the Alleged Breach relates occurred:
 - i. before the Code Compliant Member to which the Alleged Breach relates became a Code Compliant Member;
 - ii. in relation to an entity which was not a Code Compliant Member at the time of the events to which the Alleged Breach relates and was subsequently acquired by a Code Compliant Member; or
 - iii. If the complainant was aware of the events to which the Alleged Breach relates or would have become aware of them if they had used reasonable diligence, more than one year before the complainant first notified the CCC in writing. This restriction can be waived at the discretion of the CCC if the CCC is unanimously of the opinion that the delay was reasonable in the circumstances and the Code Compliant Member will not be prejudiced by the delay.

Investigations at Request of Board

- 10.3 The CCC may investigate an Alleged Breach if the Board determines that it is in the interests of the industry or the AFIA that a particular Alleged Breach be investigated by the CCC.

Responding to Alleged Breaches

- 10.4 Where the CCC investigates an Alleged Breach, it may:
- a. acknowledge the Alleged Breach;
 - b. assess the Alleged Breach taking into account the outcomes of any internal and external dispute resolution processes and the outcome being sought;
 - c. plan the investigation, if the Alleged Breach cannot be resolved on first contact, by defining what is to be investigated and considering whether further information is required;
 - d. as outlined in 8.5 (b), ask an appropriate representative of the Code Compliant Member to attend an interview;



- e. require a Code Compliant Member to investigate an Alleged Breach and report back to the CCC (including, where appropriate, with the assistance of external expertise);
 - f. investigate the Alleged Breach by reaching a fair and independent view on the issues and provide an appropriate remedy, taking into consideration any undertaking by the Code Compliant Member as to action it will take, or has taken in relation to the Alleged Breach; and
 - g. respond with a clear decision.
- 10.5 Where appropriate, a determination of the CCC may include recommendations for corrective measures to be implemented by the Code Compliant Member including potential remediation or rectification in respect of the Alleged Breach.
- 10.6 Details of the determination on a de-identified basis:
- a. may be provided all Code Compliant Members to assist them in understanding their Code compliance obligations; and
 - b. will, if relevant, be provided to the person who made the allegation unless the CCC consider it inappropriate in the circumstances to do so.

Corrective Measures

- 10.7 If it has been determined by the CCC that a Code Compliant Member has breached a Code, the CCC and the relevant Code Compliant Member may agree on any corrective measures and the relevant timeframes for implementing them.

Sanctions

- 10.8 The CCC may impose a Sanction on a Code Compliant Member:
- a. if the Code Compliant Member has failed to implement and comply with agreed corrective measures (or to do so within the agreed timeframe); or
 - b. where (in the opinion of the CCC) the Code Compliant Member fails to reach agreement with the CCC within a reasonable timeframe in regard to appropriate corrective measures or other remediation to be taken by the Code Compliant Member.
- 10.9 When imposing a Sanction, the CCC may impose or action one or more of the following Sanctions in accordance with the relevant Protocol and relevant Code:
- a. require the Code Compliant Member to undertake a commercially reasonable rectification process or other related step within a specified timeframe, taking into account any rectification related to the breach agreed with or imposed on the Code Compliant Member by any regulatory body;
 - b. require a Code Compliant Member undertake a compliance review of their remedial actions or remedial action plan;
 - c. issue a formal warning to the Code Compliant Member;
 - d. require the Code Compliant Member to undertake an additional Code compliance audit at the expense of the Code Compliant Member;



- e. publicise notice of the non-compliance on the AFIA website, or in AFIA's Annual Review;
- f. report the Alleged Breach to the Relevant Regulatory Bodies (as defined in Schedule 1 of the AFIA Online Small Business Lenders Group By-Laws, as amended from time to time);
- g. suspend or revoke the Code Compliant Member's certification as a Code Compliant Member;
- h. require the Code Compliant Member to cease portraying itself as being a Code Compliant Member and to cease using any logo or other symbol which is permitted for use by only relevant Code Compliant Members and / or to remove from its website and from its documents and literature any reference or indication that it is a Code Compliant Member; and
- i. recommend to the Board that the Code Compliant Member's Membership of AFIA and / or of one or more Divisions and Groups be reviewed, suspended or terminated.

10.10 The power of the CCC to impose a Sanction on a Code Compliant Member cannot be delegated.

10.11 Before imposing a Sanction, the CCC will:

- a. notify the Code Compliant Member in writing (including by electronic means); and
- b. provide an opportunity for the Code Compliant Member to respond with any comment within 15 Business Days of receipt of the notice provided under paragraph (a) above.

10.12 The CCC will consider any response by the Code Compliant Member before making a final decision on whether or not to impose a Sanction. The CCC will notify the Code Compliant Member in writing of its decision regarding any failure to correct a breach of the Code and any Sanctions to be imposed.

10.13 AFIA may take such action as the Board considers appropriate, including an application for injunctive relief, to enforce any Sanction, and may recover the costs of any such action from the party against which it takes such action. This clause may be used in the pleadings in any such proceedings.

10.14 The CCC is under no obligation to impose a Sanction and, subject to the terms of the relevant Code and any other governing Protocol document, the decision to impose a Sanction is wholly at the discretion of the CCC.

Appeals

10.15 An appeal from a decision by the CCC may be made to the Board. In dealing with any such appeal, the Board may delegate this function to an Appeals Committee of such other committee as it considers appropriate in the circumstances. No member of the CCC may be included on any such committee.

11. CONFIDENTIAL INFORMATION

11.1 For the purpose of these Terms of Reference (including the CCC and its operation) confidential Information means all technical, commercial and other confidential information and materials of a Group Member, consumer or small business and includes any information or material that discloses or relates to:

- a. a Code Compliant Member's compliance or noncompliance with a Code;



- b. an actual or alleged breach of a Code by a Code Compliant Member;
- c. commercial, financial or legal affairs of a Code Compliant Member including pricing policies, costing information, supplier lists and customer lists;
- d. legal advice;
- e. a matter to which an obligation of confidence applies under privacy law; and
- f. any other information or material which is of a confidential or sensitive nature, is marked or denoted as being confidential or which a reasonable person to whom that information or material is disclosed, or to whose attention that information or material otherwise comes, would consider confidential.

Subject to clause 11.3:

- g. members of the Board and CCC Members must keep confidential all Confidential Information which comes to their attention in regard to CCC issues; and
- h. a person who attends a CCC meeting or a meeting with a CCC Member must not disclose, or use for a purpose other than contemplated by the relevant Code, any Confidential Information supplied to him/her in connection with the conduct of the business of the CCC.

11.2 CCC Member may disclose Confidential Information:

- a. to another CCC Member or to any person to whom disclosure is reasonably required for the purpose of the CCC exercising its functions or powers;
- b. to any person to whom disclosure of the Confidential Information is required by law;
- c. under corresponding obligations of confidence as imposed by this clause to a person retained to provide advice to the CCC;
- d. for the purpose of imposing a Sanction on a Code Compliant Member in accordance with a Code; or
- e. with the prior written consent of the Code Compliant Member, subject to privacy law.

12. REPORTING BY CCC

12.1 The CCC will prepare a report for the period from the commencement of its operation (anticipated to be 31 December 2018) to 30 June 2019, and annually to 30 June thereafter, for inclusion in AFIA's Annual Review. Each such report should include an outline of the activities of the CCC in the relevant period, including:

- a. de-identified information, collected under clause 9.2, of any reported or investigated Alleged Breaches and any corrective measures agreed with the relevant Code Compliant Member(s);
- b. consolidated de-identified analysis of Code compliance by Code Compliant Members for the period of the report, as collected under clause 9.2;
- c. information as to any Sanctions imposed by the CCC (de-identified where appropriate);
- d. information as to the number of CCC meetings held and the attendance of CCC Members at them;



- e. any recommendations on Code improvements and industry issues relevant to the operation of any Code arising out of its experiences of Code compliance in the relevant period, including where non-compliance with a Code indicates an industry-wide issue or weakness of a Code;
- f. statement that the CCC has complied with its Terms of Reference and any binding obligations on it under a Code or other relevant Protocol document and, if there has been any noncompliance, the report must identify that non compliance and the reasons for it, including any action that may have been instituted by the CCC to ensure that such non-compliance does not occur in the future; and
- g. any other matters that the CCC considers should be included that are consistent with the functions of the CCC.

12.2 In addition to clause 12.1, the CCC will prepare a quarterly report for the period from the commencement of its operation (anticipated to be 31 December 2018). Each such report should include an outline of the activities of the CCC in the relevant period, including:

- a. de-identified information as to any reported or investigated Alleged Breaches and any corrective measures agreed with the relevant Code Compliant Member(s);
- b. consolidated de-identified analysis of Code compliance by Code Compliant Members for the period of the report;
- c. information as to any Sanctions imposed by the CCC (de-identified where appropriate);
- d. any recommendations on Code improvements and industry issues relevant to the operation of any Code arising out of its experiences of Code compliance in the relevant period, including where non-compliance with a Code indicates an industry-wide issue or weakness of a Code; and
- e. any other matters that the CCC considers should be included that are consistent with the functions of the CCC.

12.3 Before determining what data it collects and publishes, the CCC should take into account any industry data already published by any regulator or AFIA to avoid duplication. Promotion Of the Code

13. Promotion of the Code

AFIA and the CCC will facilitate promotion of the Code with relevant external stakeholders. This may include, but is not limited to, Relevant Regulatory Bodies and / or AFIA and / or the CCC , speaking at conferences, seminars and workshops.

14. DEVELOPMENT OF POLICIES AND PROCEDURES

Development of Policies and Procedures

14.1 The CCC may develop:

- a. policies and guidelines on the administration and implementation of any Code and its requirements;
- b. compliance reporting and other forms; and
- c. operating procedures related to the activities of the CCC,



- d. that are consistent with these Terms of Reference, the relevant Code and any other relevant Protocol document.

Recommendations of Changes to Codes

- 14.2 The CCC may recommend to the Board changes to any Code.

Recommendations of Changes to Terms of Reference

- 14.3 The CCC may recommend to the Board changes to these Terms of Reference.

Consultation

- 14.4 The CCC will consult with relevant Code Compliant Members in developing policies, guidelines, reporting forms, operating procedures relating to a Code and recommended changes to a Code. The CCC may also consult with other organisations and individuals with an interest in any Code, as the CCC considers appropriate.

15. REPORTING TO AFIA BOARD

- 15.1 15.1 The CCC should report to the Board on matters relevant to the CCC's roles and responsibilities.

16. SELF-ASSESSMENT

- 16.1 The CCC will periodically assess its own effectiveness, with a view to ensuring that its performance accords with best practice guidelines. The CCC's Terms of Reference will be reviewed and updated as required.



**Australian
Finance
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Association**

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