

## FINANCIAL SERVICES COUNCIL COVID-19 FAQs



POLICY AREA	QUESTION	ANSWER	FIND OUT MORE
<b><i>Superannuation</i></b>	Can I get access to my super?	If your income has been impacted by the COVID-19 crisis, you may be eligible for early access to your superannuation from mid-April. You will be able to apply through your MyGov account.	You can find more information about eligibility and how to apply in this <a href="#">Fact Sheet</a> or on the <a href="#">ATO website</a> .
	What should I think about before accessing my super during the pandemic?	Your super is money you're saving for retirement, so it makes sense to think before accessing that money.	Find more information about managing your finances through the COVID-19 pandemic at ASIC's <a href="#">Moneysmart website</a> .
	Someone has offered to help me access my super, should I accept?	Unfortunately, there are a number of scammers taking advantage people during the COVID-19 crisis.  If you need to access your super, you should only do so through MyGov following the process set out on the <a href="#">ATO website</a> .	For more information about coronavirus-related scams, see the <a href="#">Scamwatch website</a> .
	My super balance is lower than it was before the pandemic, should	Superannuation is a long-term investment, so particularly if you are younger you will be in a good	If you are concerned about your investment settings, you can

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	I change how my super is invested?	<p>position to wait for your savings to recover as markets improve.</p> <p>Your risk appetite (which will often be linked to how close you are to retirement) is always something to consider when thinking about how to invest.</p>	speak to your super fund or seek financial advice.

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<b>Advice</b>	How can a financial adviser help me?	<p>A financial adviser can help you make the financial decisions. They can advise on things like cashflow, savings, retirement and investment strategies. They can explain financial and life insurance products to you.</p> <p>The pandemic might not mean you are in financial distress now, but it might have you asking questions about your finances for example your superannuation fund.</p> <p>Seeking out the help of a professional financial adviser can help you to get financial concerns you have seen too before they get serious.</p>	
	I am in financial distress who else can I talk to?	Beyond seeking a professional financial adviser, you can seek financial counselling or a range of government services to support you at this time.	If you don't know where to start, call the free <a href="#">National Debt Helpline</a> on 1800 007 007. The helpline is open Monday to Friday, 9:30am to 4:30pm. You can also visit the following government websites:

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			The Treasury: <a href="#">Australian Tax Office</a> <a href="#">ASIC's MoneySmart website</a> <a href="#">Australian Government</a>
	What should I look for in a financial adviser? What will it cost me?	<p>All financial advisers are registered on ASIC's Financial Adviser Register and typically have finance-related qualifications.</p> <p>The cost of advice will depend on what you need. It might be one-off advice looking at your cashflow or more in-depth ongoing advice accounting for a wider range of your personalised circumstances.</p>	You can access the Financial Advisers Register here: <a href="https://moneysmart.gov.au/financial-advice/financial-advisers-register">https://moneysmart.gov.au/financial-advice/financial-advisers-register</a>
	What information will I need when I go to see a financial adviser for the first time?	<p>Ahead of your first consultation take with you as much information you have about your finances – your income, outgoings, any regular expenses or ongoing payments you have.</p> <p>Most importantly: have a really clear sense of what your goals</p>	

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		<p>are, what areas you want clarity on so you can prepare for the uncertain weeks and months ahead.</p> <p>This will ensure you get the most from your financial adviser and will go a long way to relieving any angst and anxiety you might have.</p>	
	<p>What is a Statement of Advice (SOA)?</p>	<p>This is the document your adviser will give you containing all the information you need when deciding to proceed with an investment.</p> <p>It will establish cost of the advice provided and fees, as well as your financial goals and a record of your interactions with your adviser.</p> <p>It will specify the products an adviser thinks are right for you advising you of the advantages and disadvantages of these.</p>	

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<b><i>Investments</i></b>	Have firms put additional measures in place to continue operating without interruption?	Following the Government's measures to reduce the spread of COVID-19 our fund managers have put in place their business continuity measures, with many firms employing split teams or staff working remotely, ensuring businesses are able to continue operating and servicing their clients through COVID-19.	
	What are fund managers doing to assist clients in the current environment?	Firms have also increased client and investor communication and are providing regular market updates to keep clients informed.	
	Do you have any tips for clients?	Market volatility can be unsettling for clients which is why a number of fund manager members have not only increased their communication updates but also included dedicated COVID information updates on their website - check your fund manager's website to see if additional information is available (for example, Australian Ethical).	

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		<p>This is also a good time to speak with your financial adviser, check in with your investment strategy and discuss any concerns you may have.</p>	
	<p>What initiatives are firms taking to help the community at this time?</p>	<p>La Trobe Financial has donated \$1 million to the Epworth Hospital for provision of additional ICU medical equipment to cope with the anticipated influx of COVID-19 admissions during this pandemic.</p>	

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<b><i>Life Insurance</i></b>	What are life insurers doing for their customers in financial hardship during this time?	<p>If you have recently been temporarily stood down or made unemployed, you may be eligible for help and support offered under the Code or your policy.</p> <p>In accordance with individual circumstances, your insurer will respond flexibly and responsibly to those in financial hardship.</p>	For more information on relief for financial hardship available to you, you can contact your insurer so that they can understand your individual circumstances.
	Will claims on life insurance policies still be processed if I, or someone I know, needs to make a claim during this crisis?	Yes. Your insurer is focused on ensuring that claims services are prioritised during this time. Life insurers will be flexible in how we handle your claim given the current circumstances.	If you need to make a claim, contact your life insurance company (for individual life cover), or your superannuation trustee (for group life cover in superannuation).
	Will I still be able to obtain new or additional life insurance cover during this time?	<p>Yes, you can still continue to apply for new or additional cover on life insurance policies such as term life, income protection and total permanent disability.</p> <p>If you are a frontline healthcare worker, life insurers have committed to ensure the vital work you are doing will not</p>	All information on the frontline healthcare worker commitment can be found <a href="#">here</a> .



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		prevent you from taking out new life insurance cover.	
	Are there any pandemic exclusions for death on my existing life insurance policy?	If you have held your policy prior to 11 March 2020, there are no exclusions in existing life insurance policies that would prevent the policy paying out for a death claim related to coronavirus, if you follow Government travel advice.	If you would like to find out more about your insurance in super cover, speak to your super fund.  For insurance cover outside of super, contact your insurer directly.
	Can I claim an income protection benefit because I have lost hours and income due to the COVID-19 pandemic?	An income protection benefit is paid in the unforeseen event of disabling illness or injury. Unless the reason you are not working is your disabling illness or injury, you will not be eligible for income protection benefits.	You can find more information about income protection, eligibility to make a claim and how to claim in this <a href="#">AFCA Fact Sheet</a> .
	What is CCI?	Consumer Credit Insurance (CCI) is a form of insurance which can help cover your credit card, personal loan or home loan repayments. Depending on the level and type of cover you purchased, and subject to the terms of your policy, a CCI policy typically will pay a benefit	If you are unsure whether or not you have a CCI policy, check your loan documents, or check with your lender who will have details of any related insurance they arranged for you.  Ask them to send you a copy of your insurance documents and

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		amount if you can't work because of illness, disability, involuntary unemployment or if you pass away. In the case of total and permanent disability or death, many policies will pay out the balance of the loan in full.	policy terms (such as the Certificate of Insurance or Product Disclosure Statement) as well as the insurer's contact details.
	Should I make a CCI claim?	Whether or not you are eligible to claim a CCI benefit will depend on your individual circumstances including the level of cover you have purchased and how your employment circumstances have changed.	If you would like to check your eligibility or make a claim, contact your insurer named on your insurance documentation.

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<b>Legal</b>	I am the holder of an Australian Financial Services Licence (AFSL). I understand that ASIC has said that it will refocus its activities given the current pandemic. What about my breach reporting obligations in circumstances where there has been significant business disruption?	ASIC anticipates AFSL holders to continue to report material breaches to ASIC in accordance with their legal obligations. AFSL holders must notify ASIC in writing of any <b>significant</b> breach (or likely breach) of obligations under s912A (general obligations), s912B (compensation arrangements) or financial services laws, as soon as practicable, and in any event within ten business days of becoming aware of the breach or likely breach. Whether a breach is significant will depend on individual circumstances. There is now a new facility for AFSL holders to submit breach reports to ASIC by way of the ASIC Regulatory Portal. This may assist with facilitate faster and easier compliance with breach reporting requirements.	<ul style="list-style-type: none"> <li>• Details of the ASIC changes to ASIC regulatory work and priorities given the COVID-19 pandemic, may be found <a href="#">here</a>.</li> <li>• Details of ASIC’s approach to breach reporting is set out in <a href="#">RG 78</a> (revised March 2020).</li> <li>• Details of breach reporting by the ASIC Regulatory Portal may be found <a href="#">here</a>.</li> </ul>
	What about execution and witnessing of documents?	On 25 March 2020, the <i>COVID-19 Legislation Amendment</i>	For more information please refer <a href="#">here</a> .

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	<p>Physical execution and witnessing are difficult in the pandemic circumstances.</p>	<p><i>(Emergency Measures) Act 2020 (NSW)</i> amended the New South Wales <i>Electronic Transactions Act</i> to permit regulations to be made to facilitate the provision of altered arrangements for the signing, witnessing and attesting of documents under an Act. Under its emergency powers, the New South Wales Government issued a regulation concerning remote witnessing: <i>Electronic Transactions Amendment (COVID-19 Witnessing of Documents) Regulation 2020 (Regulation)</i>.</p> <p>Broadly speaking, the Regulation permits the remote witnessing of documents. It is to be noted that the earlier consultation draft of the Regulation also addressed electronic execution of deeds and electronic attestation of electronic documents. These were not included in the final version.</p>	

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		<p>The Government indicated: <i>We are continuing to consider reform options for electronic signature and execution of documents that are currently required to be prepared in hard copy.</i></p> <p>We understand the New South Wales Government is undertaking further consultation on this topic.</p> <p>The Regulation provides that:</p> <ul style="list-style-type: none"><li>• documents that require a witness may be witnessed by audio visual link but there are a few requirements as to how this may be done that need to be fulfilled;</li><li>• tasks in relation to witnessing a document may be performed by audio visual link;</li><li>• written oaths, declarations or affidavits required for a purpose</li></ul>	

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		<p>specified in section 26 of the <i>Oaths Act 1900</i> may be taken or made before an Australian legal practitioner; and</p> <ul style="list-style-type: none"><li>• a statutory declaration may be made before a person before whom a statutory declaration under the <i>Statutory Declarations Act 1959</i> (Cth.) may be made.</li></ul> <p>The Regulation expires on 26 September 2020, unless this date is changed by further regulation or a resolution of Parliament.</p> <p>Unfortunately, it remains unclear whether documents signed electronically, including Deeds, can be witnessed and witnesses can sign electronically. There are differing views. Legislative certainty is required.</p> <p>We understand other States and the Territories have or will following suite.</p>	

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	<p>What about the Corporations Act and Regulations and execution requirements there?</p>	<p><b>Commonwealth:</b> The <i>Coronavirus Economic Response Package Omnibus Act</i> became effective on 25 March 2020. Many of the changes relate to assistance for individuals, households and small to medium sized businesses; however, there are also amendments to the <i>Corporations Act (Act)</i> to assist corporations affected by COVID-19.</p> <p>A temporary mechanism is available under Part 9.11 of the Act to provide regulatory relief to classes of persons who, for one of the reasons listed below, are unable to meet their obligations under the Act or the <i>Corporations Regulations (Regulations)</i>. The Treasurer may provide this relief either by way of an exemption from specified obligations of the Act or Regulations or a modification of these obligations.</p>	

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		<p>Classes of persons have not expressly been identified. Thus, the Treasurer has flexibility in providing relief to various persons who are subject to the Corporations Act. The Treasurer has suggested that the power could be used to grant relief where the regulatory requirements would “interfere with the ability of companies to manage their businesses through the impacts of the coronavirus”.</p> <p>This power to grant relief is available from 25 March 2020 for a maximum of 6 months. It is available where the Treasurer is satisfied that:</p> <ol style="list-style-type: none"><li>1. it would not be reasonable to expect the persons in the class to comply with the provisions; or</li><li>2. the exemption or modification is necessary or appropriate, in circumstances relating to</li></ol>	





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		<p>signatures, witnessing of signatures, verification of the identity of witnesses and the attestation of documents.</p> <p>A determination is limited to being in response to circumstances relating to COVID 19. It can have retrospective effect but will have no operation after 31 December 2020.</p> <p>We understand that the Commonwealth is considering the use of these powers. ASIC also is looking at use of its modification powers in this context.</p>	
	<p>What has AUSTRAC done in response to the COVID-19 pandemic?</p>	<p>AUSTRAC's new Anti- Money Laundering &amp; Counter Terrorist Financing (<b>AML/CTF</b>) Rule streamlines the pre-payment process for urgent release of funds under the COVID-19 early release of superannuation initiative.</p>	<p>Click on the following link for the wording of the new <a href="#">AML/CTF Rule</a></p> <p>Continuing to comply with these other obligations, will help to protect superannuation funds from existing, as well as <a href="#">new and</a></p>

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		<p>Under this new Rule, provided the Australian Taxation Office (ATO) has approved the payment, <b>superannuation funds will not have to carry out their customer identification procedure</b> before making these payments to their members. However, AUSTRAC emphasised that <b>all other obligations</b> under the AML/CTF Act <b>still apply</b>, including ongoing customer due diligence and suspicious matter reporting.</p>	<p><a href="#">emerging threats, including fraud and identity theft.</a></p> <p>The <a href="#">COVID-19 early release of superannuation initiative is administered by the Australian Taxation Office.</a></p> <p>AUSTRAC will continue to provide updates on how it will support businesses during the COVID-19 pandemic on the <a href="#">AUSTRAC website</a></p>

*The above information is provided for information purposes only and is based on our enquiries and understanding of relevant matters and neither the FSC nor any of its employees accepts responsibility or a duty of care in relation to the information provided.*