



**ASIC**  
Australian Securities &  
Investments Commission

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## **ASIC Corporations (Product Intervention Order—Short Term Credit) Instrument 2019/917**

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I, Emma Curtis, delegate of the Australian Securities and Investments Commission, make the following legislative instrument.

Date 12 September 2019

Emma Curtis

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## Part 1—Preliminary

### 1 Name of legislative instrument

This is the *ASIC Corporations (Product Intervention Order—Short Term Credit) Instrument 2019/917*.

### 2 Commencement

This instrument commences on a day that is the second day after the instrument is registered on the Federal Register of Legislation.

Note: The register may be accessed at [www.legislation.gov.au](http://www.legislation.gov.au).

### 3 Authority

This instrument is made under subsection 1023D(3) of the *Corporations Act 2001*.

### 4 Definitions

In this instrument:

*Act* means the *Corporations Act 2001*.

*associate*, in relation to a primary person that is a short term credit provider, has the meaning given by sections 11 and 15 of the Act.

*collateral contract*, in relation to a short term credit facility, means a separate contract between a retail client and a short term credit provider or an associate in relation to the short term credit facility.

*collateral fees and charges* means fees and charges imposed or provided for under a collateral contract.

*National Credit Code* has the same meaning as in subsection 5(1) of the *National Consumer Credit Protection Act 2009*.

*short term credit facility* means a financial product covered by both:

- (a) paragraph 12BAA(7)(k) of the ASIC Act; and
- (b) subsection 6(1) of the National Credit Code.

*short term credit provider* means a person who is purporting to rely on subsection 6(1) of the National Credit Code.

## Part 2—Order

### 5 Short term credit facilities

- (1) A short term credit provider must not provide credit to a retail client under a short term credit facility except in accordance with the condition in subsection (5).
- (2) A director of a short term credit provider must not cause or authorise the provider to provide credit to a retail client under a short term credit facility except in accordance with the condition in subsection (5).
- (3) A short term credit provider or an associate must not impose or provide for collateral fees and charges under a collateral contract except in accordance with the condition in subsection (5).
- (4) A director of a short term credit provider or of an associate must not cause or authorise the provider or associate to impose or provide for collateral fees and charges under a collateral contract except in accordance with the condition in subsection (5).

#### *Condition*

- (5) The total of:
  - (a) the amount of credit fees and charges that may be imposed or provided for under the short term credit facility; and
  - (b) the amount of collateral fees and charges that may be imposed or provided for under a collateral contract;

must not exceed the maximum amount of credit fees and charges permitted under subsection 6(1) of the National Credit Code in relation to the provision of credit under the short term credit facility.

### 6 Application

This instrument applies in relation to a short term credit facility entered into on or after the commencement of this instrument.