



**ASIC**  
Australian Securities &  
Investments Commission

# Explanatory Statement

## *ASIC Corporations (Adara Advisors) Instrument 2025/634*

*and*

## *ASIC Corporations (Repeal) Instrument 2025/635*

This is the Explanatory Statement for *ASIC Corporations (Adara Advisors) Instrument 2025/634* (the **Instrument**) and *ASIC Corporations (Repeal) Instrument 2025/635* (the **Repeal Instrument**).

The Explanatory Statement is approved by the Australian Securities and Investments Commission (ASIC).

### Summary

1. In 2015, *ASIC Corporations (Adara Advisors) Instrument 2015/628* granted Adara Advisors Pty. Ltd ACN 119 655 499 (**Adara Advisors**) relief from subsection 911B(1) of the *Corporations Act 2001* (the **Act**). By granting the relief, Adara Advisors was able to appoint prominent members (**Panel Members**) of the financial services industry as authorised representatives to provide financial services to wholesale clients of Adara Partners (Australia) Pty. Limited ACN 601 898 006 (**Adara Partners**), without also needing to be appointed as authorised representatives of another Australian financial services licensee (**Panel Member Firm**) on whose behalf the Panel Member, as an employee or director, provides financial services.
2. Prior to *ASIC Corporations (Adara Advisors) Instrument 2015/628* being granted, ASIC granted individual relief to Adara Advisors on a conditional basis to nine individual Panel Members through *ASIC Instrument 15/0474*. The individual relief was granted as a temporary measure.
3. In 2022, *ASIC Corporations (Adara Advisors) Instrument 2022/625* granted Adara Advisors relief to appoint individuals (**Volunteers**) who are representatives of another Australian financial services licensee (**Volunteer Firm**) to provide (in limited circumstances) financial product advice as a representative of Adara Advisors without being appointed as authorised representatives of both Adara Advisors and the Volunteer Firm.

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4. *ASIC Corporations (Adara Advisors) Instrument 2015/628* and *ASIC Corporations (Adara Advisors) Instrument 2022/625* (together, **the Prior Instruments**) are scheduled to automatically repeal on 1 October 2025.
  5. The Repeal Instrument repeals the Prior Instruments. The Instrument provides relief, on largely the same terms as the Prior Instruments.

#### **Purpose of the instruments**

6. Adara Advisors, an Australian financial services licensee (**licensee**), has a business which relies on Panel Members to work on corporate advisory matters on a pro bono basis for Adara Partners. Adara Partners is an authorised representative of Adara Advisors. The fees generated from services rendered to wholesale clients of Adara Partners are donated to an international development organisation.
7. On 15 August 2025, Adara Advisors applied for the same relief as that granted in the Prior Instruments, reiterating that in the absence of the relief continuing:
  - (a) under paragraph 911B(1)(a), Panel Members, may, in the course of their regular occupation, qualify as providers of financial services on behalf of a licensee (or a person who is otherwise exempt from having to hold an Australian financial services licence under section 911A(2)), in the capacity of an employee or director of the licensee. Should such a Panel Member be nominated as an authorised representative of Adara Advisors, subparagraph 911B(1)(b)(iv) would require that the Panel Member also be appointed as an authorised representative of their respective Panel Member Firm; and
  - (b) under paragraph 911B(1)(a), Volunteers may, in the course of their regular occupation, qualify as providers of financial services on behalf of a licensee (or a person who is otherwise exempt from having to hold an Australian financial services licence under subsection 911A(2)), in the capacity of an employee of the licensee or a related body corporate of the licensee. Should the Volunteer engage in work for Adara Partners that constitutes the provision of financial services on behalf of Adara Advisors, subparagraph 911B(1)(b)(iv) would require that the Volunteer be appointed as an authorised representative of both Adara Advisors and their respective Volunteer Firm.
8. On 18 September 2025, ASIC granted relief to Adara Advisors from the operation of subsection 911B(1) on largely the same terms as the Prior Instruments, which are repealed on this same date.
9. The Instrument:
  - (a) operates to allow individuals who are employees or directors of a Panel Member Firm to provide financial services as an authorised representative of Adara Advisors without being appointed as authorised representatives of the Panel Member Firm, as would otherwise be required by subsection 911B(1) of the Act; and

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- (b) operates to allow Volunteers who are representatives of a Volunteer Firm to provide (in limited circumstances) financial product advice as a representative of Adara Advisors without being appointed as authorised representatives of both Adara Advisors and the Volunteer Firm, as would otherwise be required by subsection 911B(1) of the Act; and
  - (c) provides the relief until 1 October 2030.
10. The purpose of the Repeal Instrument is to repeal the Prior Instruments, as they are superseded by the Instrument upon its commencement.

### **Consultation**

11. ASIC consulted with Adara Advisors and its legal representatives when considering granting the Prior Instruments and the effect of the exemption on its financial services business. Adara Advisors and its legal representatives request the same relief apply as that in the Prior Instruments (which cease to have effect on 1 October 2025). ASIC believes the Instrument does not have a regulatory impact apart from the discrete class of persons to which it applies.

### **Operation of the instruments**

#### **ASIC Corporations (Adara Advisors) Instrument 2025/634**

12. Section 4 of *ASIC Corporations (Adara Advisors) Instrument 2025/634* provides a simplified outline for the instrument. Its purpose is to assist readers in understanding the substantive provisions. However, the outline is not intended to be comprehensive, and readers should rely on the substantive provisions when considering the Instrument's effect.

#### ***Panel Member Exemption***

13. This Instrument grants an exemption to Panel Members so they can provide financial services on behalf of Adara Advisors as authorised representatives without also being an authorised representative of the Panel Member Firm as would otherwise be required under subsection 911B(1) of the Act. The exemption applies where:
- (a) Adara Advisors holds an Australian financial services licence covering the provision of the relevant financial services; and
  - (b) the Panel Member is an authorised representative of Adara Advisors; and
  - (c) the authorisation covers the provision of the relevant financial services by the Panel Member; and
  - (d) the Panel Member is an employee or director of a Panel Member Firm who carries on a financial services business; and
  - (e) the Panel Member provides financial services in this jurisdiction on behalf of the Panel Member Firm; and

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- (f) the Panel Member, in their capacity as authorised representative of Adara Advisors, only provides financial services to wholesale clients of Adara Partners; and
  - (g) Adara Partners is an authorised representative of Adara Advisors; and
  - (h) Adara Advisors has received from the Panel Member written confirmation that they have received the consent of the Panel Member Firm to the Panel Member being appointed as an authorised representative of Adara Advisors; and
  - (i) Adara Advisors has a written undertaking from the Panel Member:
    - (i) to manage conflicts of interest arising from acting as an authorised representative of Adara Advisors and as an employee or director of the Panel Member Firm; and
    - (ii) not to use confidential information obtained in the course of acting as an authorised representative of Adara Advisors when acting as an employee or director of the Panel Member Firm; and
    - (iii) not to use confidential information obtained in the course of acting as an employee or director of the Panel Member Firm, when acting as an authorised representative of Adara Advisors; and
    - (iv) not to receive any financial benefit as a result of providing financial services to wholesale clients of Adara Partners; and
  - (j) Adara Advisors has received from the Panel Member written confirmation that the Panel Member Firm has confirmed that there is no conflict of interest for the Panel Member Firm in the Panel Member providing the relevant financial services to wholesale clients of Adara Partners; and
  - (k) the Panel Member has disclosed to that client in writing that they are:
    - (i) an authorised representative of Adara Advisors; and
    - (ii) an employee or director of the Panel Member Firm which holds an Australian financial services licence, which they must identify; and
    - (iii) relying on an exemption granted by ASIC enabling them to provide financial services on behalf of Adara Advisors as its authorised representative, without also being an authorised representative of the Panel Member Firm as would otherwise be required by the Act; and
    - (iv) providing the financial services only as an authorised representative of Adara Advisors; and
  - (l) the Panel Member Firm does not receive any financial benefit as a result of the Panel Member providing the relevant financial services.

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### *Volunteer Exemption*

14. This Instrument grants an exemption to Volunteers so they can assist Adara Partners (including by assisting Panel Members who are sub-authorised by Adara Partners) to provide financial services on behalf of Adara Advisors without being an authorised representative of Adara Advisors or the Volunteer Firm as would otherwise be required under subsection 911B(1) of the Act, by performing support tasks for Adara Partners that may constitute financial product advice, such as:
  - (a) research into relevant sectors, companies or economic matters relevant to a client mandate;
  - (b) preparing briefing notes for Adara Partners on companies and market sectors;
  - (c) preparing draft pitch books and draft reports for Adara Partners to review, finalise and present to clients;
  - (d) preparing financial analyses of market movements and share prices;
  - (e) reviewing documents relating to the client engagement (such as offering documents, financial models and market announcements) and preparing summaries for review by Adara Partners;
  - (f) acting on the instruction of the Adara Partners CEO, Adara Partners Corporate Advisory Director and/or such Panel Members to provide such back up information and support as they require to be fully informed for the purposes of advising the client;
  - (g) accompanying Adara Partners to attend meetings with clients; and
  - (h) corresponding with clients (e.g. by email and/or calls) as directed by Adara Partners for administrative purposes, such as scheduling meetings, passing on material and requesting information from clients.
15. The exemption under this Instrument applies where:
  - (a) Adara Advisors holds an Australian financial services licence covering the provision of the financial product advice; and
  - (b) the Volunteer is a representative of Adara Advisors; and
  - (c) the Volunteer is a representative of a Volunteer Firm who carries on a financial services business and the Volunteer is an employee of the Volunteer Firm or a related body corporate of the Volunteer Firm; and
  - (d) the Volunteer only provides the financial product advice to Adara Partners to support Adara Partners to provide financial services to wholesale clients of Adara Partners; and

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- (e) the Volunteer does not provide financial product advice to clients of Adara Partners; and
  - (f) Adara Partners is an authorised representative of Adara Advisors; and
  - (g) Adara Advisors keeps a register of Volunteers that it engages; and
  - (h) Adara Advisors has received from the Volunteer written confirmation that the Volunteer has received the consent of the Volunteer Firm to the Volunteer being engaged by Adara Advisors as its representative; and
  - (i) Adara Advisors has a written undertaking from the Volunteer:
    - (i) to manage conflicts of interest arising from acting as a representative of Adara Advisors and a representative of the Volunteer Firm; and
    - (ii) not to use confidential information obtained in the course of acting as a representative of Adara Advisors when acting as a representative of the Volunteer Firm; and
    - (iii) not to use confidential information obtained in the course of acting as a representative of the Volunteer Firm when acting as a representative of Adara Advisors; and
    - (iv) to satisfy the training requirements of the Volunteer Firm in relation to conflicts management, confidential information, and any other relevant training; and
    - (v) not to receive any financial benefit as a result of providing the financial product advice; and
  - (j) Adara Advisors has received from the Volunteer a written notification that the Volunteer Firm has confirmed that there is no conflict of interest for the Volunteer Firm in the Volunteer providing the financial product advice; and
  - (k) the Volunteer does not receive any financial benefit as a result of the Volunteer providing the financial product advice.

**ASIC Corporations (Repeal) Instrument 2025/635**

16. The Repeal Instrument repeals the Prior Instruments on the day after it is registered on the Federal Register of Legislation.

**Legislative instrument and primary legislation**

17. The Instrument only affects a discrete class of persons to which it applies; namely, Adara Advisors, Adara Partners, Panel Members, Panel Firms, Volunteers and Volunteer Firms. This Instrument provides administrative relief in circumstances where the regulatory benefit in requiring strict compliance with the primary legislation is not proportional to the commercial burden. On

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this basis, it is appropriate for ASIC to provide relief through its exemption powers, as the matters contained in the Instrument are of a highly specific nature which are more appropriate for legislative instrument rather than primary legislation.

### **Duration of the Instrument**

18. The Instrument will cease to apply on 1 October 2030.

### **Legislative authority**

19. The Instrument and the Repeal Instrument are made under paragraph 926A(2)(a) of the Act.
20. Subsection 926A(4) of the Act provides that an exemption that is expressed to apply in relation to a class of persons is a legislative instrument.
21. The Instrument and the Repeal Instrument are disallowable legislative instruments under the *Legislation Act 2003*.

### **Statement of Compatibility with Human Rights**

22. The Explanatory Statement for a disallowable legislative instrument must contain a Statement of Compatibility with Human Rights under subsection 9(1) of the *Human Rights (Parliamentary Scrutiny) Act 2011*. A Statement of Compatibility with Human Rights is in the Attachment.

## Statement of Compatibility with Human Rights

This Statement of Compatibility with Human Rights is prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

***ASIC Corporations (Adara Advisors) Instrument 2025/634***

***ASIC Corporations (Repeal) Instrument 2025/635***

### Overview

1. The *ASIC Corporations (Adara Advisors) Instrument 2025/634* (**Instrument**) operates to allow individuals (**Panel Members**) who are employees or directors of another Australian financial services licensee (**Panel Member Firm**) to provide financial services as an authorised representative of Adara Advisors Pty. Ltd ACN 119 655 499 (**Adara Advisors**) without being appointed as authorised representatives of the Panel Member Firm, as would otherwise be required by subsection 911B(1) of the *Corporations Act 2001* (**the Act**).
2. This Instrument also exempts individuals (**Volunteers**) engaged in the financial services industry as representatives of Adara Advisors from needing to be appointed as authorised representatives of both Adara Advisors and another Australian financial services licensee (**Volunteer Firm**), as would otherwise be required by subsection 911B(1) of the Act. This Instrument permits Volunteers to provide 'support' tasks (**work**) which may constitute financial product advice to Adara Partners (Australia) Pty. Limited ACN 601 898 006 (**Adara Partners**) only.
3. The *ASIC Corporations (Repeal) Instrument 2025/635* repeals *ASIC Corporations (Adara Advisors) Instrument 2015/628* and *ASIC Corporations (Adara Advisors) Instrument 2022/625* as they are superseded by the Instrument upon commencement.

### Assessment of human rights implications

4. These instruments do not engage any of the applicable rights or freedoms.

### Conclusion

5. These instruments are compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.