



Corporations Amendment (Client Money) Regulations 2017

I, General the Honourable Sir Peter Cosgrove AK MC (Ret'd), Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following regulations.

Dated 13 April 2017

Peter Cosgrove
Governor-General

By His Excellency's Command

Kelly O'Dwyer
Minister for Revenue and Financial Services

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1 Name

This instrument is the *Corporations Amendment (Client Money) Regulations 2017*.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	At the same time as Schedule 5 to the <i>Treasury Laws Amendment (2016 Measures No. 1) Act 2017</i> commences.	4 April 2018

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under the *Corporations Act 2001*.

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Client money

Corporations Regulations 2001

1 At the end of paragraphs 7.8.02(1)(a) and (c)

Add “(subject to regulation 7.8.02A)”.

2 After regulation 7.8.02

Insert:

7.8.02A Accounts maintained for the purposes of section 981B of the Act— special rules for retail clients

- (1) Paragraph 7.8.02(1)(a) does not apply to a written direction to the extent the direction allows the financial services licensee to use derivative retail client money as mentioned in subregulation (3) of this regulation.
- (2) Paragraph 7.8.02(1)(c) does not apply to an entitlement of the financial services licensee to use derivative retail client money as mentioned in subregulation (3) of this regulation.
- (3) Subregulations (1) and (2) apply to using the money:
 - (a) as the licensee’s capital, including working capital; or
 - (b) for the purpose of meeting obligations incurred by the licensee other than on behalf of the client; or
 - (c) for the purpose of entering into, or meeting obligations under, transactions that the licensee enters into to hedge, counteract or offset the risk to the licensee associated with a transaction between the licensee and the client.

3 In the appropriate position in Chapter 10

Insert:

Part 10.26—Application provisions related to the Corporations Amendment (Client Money) Regulations 2017

10.26.01 Application of regulation 7.8.02A

- (1) Subregulation 7.8.02A(1), as inserted by the *Corporations Amendment (Client Money) Regulations 2017*, applies in relation to payments made, on or after the commencement of this regulation, out of an account maintained for the purposes of section 981B of the Act, whether the relevant written direction was given before, on or after that commencement.
- (2) Subregulation 7.8.02A(2), as inserted by the *Corporations Amendment (Client Money) Regulations 2017*, applies in relation to payments made, on or after the commencement of this regulation, out of an account maintained for the purposes of section 981B of the Act, whether the relevant entitlement was created before, on or after that commencement.