

# Australian Financial Services Licence

LGSS PTY LIMITED

ABN: 68 078 003 497

Licence No: 383558

was licensed as an Australian Financial Services Licensee pursuant to section 913B of the Corporations Act 2001. The conditions of the licence are hereby varied from the date hereunder. The licensee shall continue to be licensed as an Australian Financial Services Licensee subject to the conditions and restrictions which are prescribed, and to the conditions contained in this licence and attached schedules.

Effective 25 January 2011

## Authorisation

1. This licence authorises the licensee to carry on a financial services business to:
  - (a) provide financial product advice for the following classes of financial products:
    - (i) deposit and payment products limited to:
      - (A) basic deposit products;
      - (B) deposit products other than basic deposit products;
    - (ii) life products limited to:
      - (A) life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;
    - (iii) interests in managed investment schemes including:
      - (A) investor directed portfolio services; and
    - (iv) superannuation; and
  - (b) deal in a financial product by:
    - (i) issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
      - (A) superannuation; and
    - (ii) applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:
      - (A) deposit and payment products limited to:
        - (1) basic deposit products;
        - (2) deposit products other than basic deposit products;
      - (B) life products limited to:
        - (1) life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
        - (C) interests in managed investment schemes including:
          - (1) investor directed portfolio services;

to retail clients.



**ASIC**  
Australian Securities &  
Investments Commission

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## Schedule of Conditions

### Compliance Measures to Ensure Compliance with Law and Licence

2. The licensee must establish and maintain compliance measures that ensure, as far as is reasonably practicable, that the licensee complies with the provisions of the financial services laws.

### Training Requirements for Representatives

3. The licensee must for any natural person who provides financial product advice to retail clients on behalf of the licensee (including the licensee if he or she is a natural person):
  - (a) identify the tasks and functions that person performs on behalf of the licensee; and
  - (b) determine the appropriate knowledge and skills requirements required to competently perform those tasks and functions; and
  - (c) implement procedures for continuing training.
4. The licensee must ensure that any natural person who provides financial product advice to retail clients on behalf of the licensee (including the licensee if he or she is a natural person):
  - (a) has completed training courses at an appropriate level that are or have been approved by ASIC in writing that are relevant to those functions and tasks; or
  - (b) has been individually assessed as competent by an assessor that is or has been approved by ASIC in writing; or
  - (c) in respect of financial product advice on basic deposit products and facilities for making non-cash payments that are related to a basic deposit product, has completed training courses that are or have been assessed by the licensee as meeting the appropriate level that are relevant to those functions and tasks.
5. Condition 4 does not apply in relation to:
  - (a) a natural person who is a customer service representative and who provides financial product advice:
    - (i) derived from a script approved by a natural person who complies with paragraphs 4(a), (b) and (c) ("qualified person"); or
    - (ii) under the direct supervision of a qualified person present at the same location; or
  - (b) a natural person who is a para-planner or trainee adviser and who provides financial product advice under the direct supervision of a qualified person who is, in addition to the licensee, responsible for:
    - (i) ensuring that any financial product advice that is provided by the para-planner or trainee adviser for which a Statement of Advice must be given, is reflected in a Statement of Advice that has been reviewed by the qualified person before the Statement of Advice is given, to ensure that the Statement of Advice would comply with all of the requirements of the Act; and
    - (ii) managing and leading any verbal explanation of the financial product advice to the client,where the licensee has established procedures to ensure that the natural person does not provide financial product advice to retail clients on behalf of the licensee, other than in the manner specified in this paragraph, and the licensee monitors whether or not those procedures are effective.



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6. Condition 4 does not apply in relation to financial product advice:
- (a) given to retail clients in advertising to which section 1018A of the Act applies, provided that:
    - (i) this licence authorises the provision of financial product advice; and
    - (ii) a responsible officer of the licensee approves such advertising before its publication or dissemination to retail clients; or
  - (b) for which there is an exemption under the Act from the obligation to hold a licence; or
  - (c) given to retail clients in respect of a margin lending facility before 1 July 2011.

### Notification to Current or Former Representative's Clients

7. Where, under Division 8 of Part 7.6 of the Act:
- (a) ASIC makes a banning order against a current or former representative of the licensee; or
  - (b) the Court makes an order disqualifying a current or former representative of the licensee;
- the licensee must, if directed in writing by ASIC, take all reasonable steps to provide the following information in writing to each retail client to whom the representative had provided personal advice within the 3 years prior to the date of the banning order or disqualification order:
- (c) the name of the representative; and
  - (d) any authorised representative number allocated to the representative by ASIC; and
  - (e) the terms of the banning or disqualification order; and
  - (f) contact details of the licensee for dealing with enquiries and complaints regarding the banning or disqualification or the conduct of the representative as a representative of the licensee.

### Financial Requirements for a Body Regulated by APRA

8. The licensee must be a body regulated by the Australian Prudential Regulation Authority ("APRA").
9. Where the licensee can no longer meet, or has breached, condition 8 of this licence, the licensee must give a written report to ASIC pursuant to subsection 912D(1) of the Act which includes:
- (a) the date on which the licensee ceased to be a body regulated by APRA; and
  - (b) the reasons why the licensee is no longer a body regulated by APRA.

### Audit Opinion on Financial Requirements

10. The licensee must lodge with ASIC an opinion by a registered company auditor ("the audit opinion") addressed to the licensee and ASIC:
- (a) for each financial year, at the same time the licensee is required to lodge a balance sheet under Part 7.8 of the Act; and
  - (b) for any period of time that ASIC requests, by the date ASIC requests the audit opinion to be lodged; that states whether for the relevant period on a positive assurance basis the licensee was a body regulated by APRA at the end of the financial year or for any period of time that ASIC requests.



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### External Disputes Resolution Requirements

11. Where the licensee provides financial services to retail clients, the licensee must be a member of one or more External Disputes Resolution Scheme(s) ("EDRS") which covers, or together cover, complaints made by retail clients in relation to the provision of all of the financial services authorised by this licence.
12. Where the licensee ceases to be a member of any EDRS, the licensee must notify ASIC in writing within 3 business days:
  - (a) the date the licensee ceases membership of the EDRS(s); and
  - (b) the reasons the licensee's membership of the EDRS(s) has ceased (including circumstances where the EDRS is no longer operating, failure by the licensee to renew their membership of the EDRS or where the EDRS has terminated the licensee's membership of the EDRS); and
  - (c) details of the new EDRS(s) the licensee intends to or has joined (including the date the membership commences and the name of the EDRS); and
  - (d) details that provide confirmation that the licensee is covered by EDRS(s) covering complaints made by retail clients in relation to the provision of all of the financial services authorised by this licence.

### Prohibition to Operate Managed Discretionary Account Service

13. The licensee must not provide an MDA service to a retail client except when operating a registered scheme.

### Retention of Financial Services Guides, Statements of Advice and Material Relating to Personal Advice

14. Where the licensee provides financial product advice to retail clients, the licensee must ensure that copies (whether in material, electronic or other form) of the following documents are retained for at least the period specified:
  - (a) each Financial Services Guide ("FSG") (including any Supplementary FSG) given by or on behalf of the licensee, or by any authorised representative of the licensee while acting in that capacity - for a period commencing on the date of the FSG and continuing for at least 7 years from when the document was last provided to a person as a retail client; and
  - (b) a record of the following matters relating to the provision of personal advice to a retail client (other than personal advice for which a Statement of Advice ("SOA") is not required or for which a record of the advice is kept in accordance with subsection 946B(3A) ):
    - (i) the client's relevant personal circumstances within the meaning of subparagraph 945A(1)(a)(i); and
    - (ii) the inquiries made in relation to those personal circumstances within the meaning of subparagraph 945A(1)(a)(ii); and
    - (iii) the consideration and investigation conducted in relation to the subject matter of the advice within the meaning of paragraph 945A(1)(b); and
    - (iv) the advice, including reasons why advice was considered to be "appropriate" within the meaning of paragraphs 945A(1)(a) to (c),



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for a period of at least 7 years from the date that the personal advice was provided;

- (c) any SOA provided by or on behalf of the licensee, or by any authorised representative of the licensee while acting in that capacity - for a period of at least 7 years from the date the document was provided to the client.

15. The licensee must establish and maintain measures that ensure, as far as is reasonably practicable, that it and its representatives comply with their obligation to give clients an FSG as and when required under the Act. The licensee must keep records about how these measures are implemented and monitored.

## Terms and Definitions

In this licence references to sections, Parts and Divisions are references to provisions of the Corporations Act 2001 ("the Act") unless otherwise specified. Headings contained in this licence are for ease of reference only and do not affect interpretation. Terms used in this licence have the same meaning as is given to them in the Act (including, if relevant, the meaning given in Chapter 7 of the Act) and the following terms have the following meanings:

**customer service representative** means call centre staff or front desk staff who deal with initial queries from customers.

**MDA service** means a service with the following features:

- (a) a person ("the client") makes client contributions; and
- (b) the client agrees with another person that the client's portfolio assets will:
- (i) be managed by that other person at their discretion, subject to any limitation that may be agreed, for purposes that include investment; and
  - (ii) not be pooled with property that is not the client's portfolio assets to enable an investment to be made or made on more favourable terms; and
  - (iii) be held by the client unless a beneficial interest but not a legal interest in them will be held by the client; and
- (c) the client and the person intend that the person will use client contributions of the client to generate a financial return or other benefit from the person's investment expertise.

**old law securities options contracts** means "options contracts" as defined under section 9 of the Act immediately prior to 11 March 2002 which were "securities" as defined under section 92(1) of the Act immediately prior to 11 March 2002.

