

EXPOSURE DRAFT



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National Consumer Credit Protection Amendment (A New Regulatory Framework for the Provision of Consumer Credit) Regulations 2020

I, General the Honourable David Hurley AC DSC (Retd), Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following regulations.

Dated 2020

David Hurley
Governor-General

By His Excellency's Command

Josh Frydenberg [**DRAFT ONLY—NOT FOR SIGNATURE**]
Treasurer

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1 Name

This instrument is the *National Consumer Credit Protection Amendment (A New Regulatory Framework for the Provision of Consumer Credit) Regulations 2020*.

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	The later of: (a) the day after this instrument is registered; and (b) 1 March 2021.	

Note: This table relates only to the provisions of this instrument as originally made.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 *National Consumer Credit Protection Act 2009*.

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Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

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Schedule 1 Amendments

Schedule 1—Amendments

National Consumer Credit Protection Regulations 2010

1 Regulation 25K

Repeal the regulation, substitute:

25K Modification—credit card contracts

- (1) For the purposes of paragraph 164(d) of the Act, the provisions to which Part 3-7 of the Act applies apply in relation to a credit card contract as if the provisions were modified as set out in this regulation.
- (2) Part 3-2E of the Act, and the non-ADI credit standards made under section 133EA of the Act, have effect as if subsection 133EA(5) (which defines *non-ADI credit conduct*) were modified by inserting the following paragraph after paragraph 133EA(5)(a):
 - “(aa) providing a consumer with a credit card for the purpose of entering a credit contract that is formed or entered by:
 - (i) the consumer using the credit card to obtain credit from the licensee;
or
 - (ii) the activation by the consumer of the credit card by arrangement with the licensee; or”.

2 Regulations 28HA, 28J and 28LC

Repeal the regulations.

3 Regulation 28LCF (heading)

Before “credit contracts”, insert “small amount”.

4 Subregulation 28LCF(2)

Before “credit contract” (first occurring), insert “small amount”.

5 Subparagraph 28LCF(2)(b)(ii)

Repeal the subparagraph.

6 Regulation 28N

Repeal the regulation.

7 Subregulation 28RB(7) (definition of *exemption period*)

Omit “2 April 2021”, substitute “28 February 2021”.

8 After paragraph 38(2)(j)

Insert:

- (ja) subsection 133EB(1);
- (jb) section 133EC;

9 Before item 3.1 of Schedule 3

Insert:

Part 1—Modifications of the Act

3.1AA Scope

The modifications set out in this Part are to be made to the Act.

Note: See regulation 25G.

10 After item 3.33 of Schedule 3

Insert:

3.33A At the end of section 133EA

Add:

Modifications for exempt special purpose funding entities

(6A) This Part has effect as if each reference in:

(a) this Part; or

(b) a definition in this Act, as it applies to references in this Part;

to a licensee were instead a reference to an exempt special purpose funding entity.

Note: See also item 3.47 of Schedule 3 to the *National Consumer Credit Protection Regulations 2010*.

11 At the end of Schedule 3

Add:

Part 2—Modifications of instruments

3.46 Scope

Each instrument that is specified in this Part is modified as set out in the applicable items of this Part.

Note: See regulation 25G.

National Consumer Credit Protection (Non-ADI Credit Standards) Determination 2020

3.47 At the end of the instrument

Add:

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Schedule 1 Amendments

Part 4—Modifications

14 Modifications for exempt special purpose funding entities

This instrument has effect as if each reference in:

- (a) this instrument; or
- (b) a definition in the Act, as it applies to references in this instrument; to a licensee were instead a reference to an exempt special purpose funding entity.

Note: See also item 3.33A of Schedule 3 to the *National Consumer Credit Protection Regulations 2010*.

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