This overview provides a summary of the changes in our obligations created by the Delivering Better Financial Outcomes Act 2024. [Delivering Better Financial Outcomes Act 2024](https://www.msmlm.com/msm-mission-control/delivering-better-financial-outcomes-act-2024/)

## Introduction

The Delivering Better Financial Outcomes Act 2024 (DBFO) makes changes to various pieces of existing Federal Legislation. This overview only addresses the changes created by DBFO that relate to the Corporations Act and that impact holders of an Australian Financial Services License as follows:

1. Introducing new standardised consent requirements for life risk insurance, general insurance and consumer credit insurance commissions.
2. Providing more flexibility in how Financial Services Guide (FSG) requirements can be met,
3. Streamlining ongoing fee renewal and consent requirements, including removing the requirement to provide a fee disclosure statement,
4. Simplifying and clarifying the provisions governing conflicted remuneration, and

## Client Consent Requirements

This section of the DBFO is effective from the 9/7/2025 and creates an obligation on an AFSL or its representative to gain the client’s consent for commission to be paid on a policy transaction in certain circumstances. No client consent is required where General Advice is being provided or where the product involved is a Wholesale product. If client consent is not received for a policy transaction that requires client consent, no commission is able to be received on that policy.

### client consent triggers:

Client consent is only required where it is expected that the AFSL or it’s representatives will be providing Personal Advice to a Retail Client in relation to General and Life Insurance products ***and*** it involves.

1. A new policy or a renewal transfer that is to be are issued or sold after the 9/7/25 or.
2. The renewal of a policy that previously required consent where the commission rate at renewal has increased from the commission rate included in the previous consent.

### Client consent exclusions

Client consent is ***not*** required:

1. Where General Advice is being provided, or
2. Where the client is a Wholesale Client, or
3. On the renewal of a policy where client consent has previously been provided on that policy and the commission rate at renewal is the same or lower than the rate on the previously provided client consent, or
4. On renewal of a policy that was issued or sold prior to the 9/7/25, even where the commission rate increases from that in place prior to the 9/7/25.
5. A new policy or a renewal transfer that is to be are issued or sold before the 9/7/25.

### Client Consent Obligations:

1. Where client consent is required it must be received prior to the sale of or providing any advice on a policy that would result in the business receiving commission from the insurer.
2. Where client consent is required, it can be in writing or received verbally.
3. Where client consent is required, the client is to be given a copy of the written consent or a copy of the record of such consent as soon as reasonably practicable after such consent is received.
4. Consent documentation or confirmation documentation to include the following mandatory information per policy:
* The name of insurer.
* The Commission Rate applicable.
* The frequency of commissions into the future and that they apply to endorsements and renewals.
* That the client consent is required prior to client payment.
* That the consent is irrevocable.

## Financial Services Guides (FSG)

This section of the DBFO applies as from the 10/07/2024 and includes changes to :

1. Remove the requirement to send client’s an FSG where the current FSG is publicly available from the website of the AFSL or the Authorised Representative. The AFSL is still responsible for authorising any FSG that an Authorised Representative makes available on their website.
2. AFSL holders and their Authorised Representatives can still supply FSG’s to clients individually by either hard copy, email link or email attachment.

## Ongoing Fee Arrangements

This section of the DBFO applies as from the 10/01/2025 for new Ongoing Fee Arrangements (OFA) and includes changes to :

1. Remove the requirement to provide clients with a Fee Disclosure Statement where an OFA applies to clients. These fee arrangements typically only apply where the AFSL is providing ongoing investment advice to a client.
2. Allow for flexibility in the dates required to gain client consent to an OFA.
3. Amend the mandatory content of an OFA.

## Conflicted Remuneration

This section of the DBFO applies as from the 10/07/2024 and includes changes to :

1. Explicitly provide that benefits given by a retail client to an AFSL or representatives are not conflicted remuneration.
2. Provide an exception that permits super trustees to pay an AFSL or representative a fee for personal advice that relates to a member’s interest in the fund from that member’s interest.
3. Remove exceptions for benefits given by clients for the issue, sale or dealing in financial products.
4. Remove exceptions for the issue of financial products where advice has not been provided in the previous 12 months.
5. Remove the exception for benefits given to Authorised Deposit Institution agents or employees about basic banking, general insurance and CCI products.