

DDO –Distributor Obligations

GRC Presentation

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DDO – Distributor Obligations

Distributors must:

- Ensure that a TMD has been made for the product before it is distributed
- Take reasonable steps that will, or are reasonably likely to, result in distribution being consistent with the TMD including distribution conditions and restrictions
- Notify the issuer if there is a significant dealing that is not consistent with the TMD.
- Provide issuers with information required under the TMD, including about complaints
- Keep records about distribution of products.

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Recent Changes

- Brokers who are subject to BID will meet the definition of 'excluded conduct' leading to the following reduced obligations:
 - Not required to take reasonable steps that will result in distribution being consistent with the TMD because the product will be in the best interests of the consumer even if they are outside the target market
 - Notify the issuer if there is a significant dealing that is not consistent with the TMD
 - Provide issuers with information about complaints:
 - Details of specific complaints when they occur
 - If complaints are received during a reporting period the number of complaints
 - Keep records about the distribution of products.
- Note currently does not apply to finance brokers.

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What does this mean?

- Consider updating distribution agreements to impose express conditions to comply
- Review current reporting arrangements with distribution partners and consider whether they need to change
- Consider leveraging existing processes to enable compliance
- Have a documented governance framework in place which demonstrates how you comply with DDO.

Questions?

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