

LSNT get a FSR reprieve for Christmas

2004 is looming as another busy year for the Law Society.

As a Christmas present, the Law Society received interim relief from relevant provisions under the Financial Services Reform Act (FSRA) for the Professional Indemnity Insurance Scheme, Law Society Public Purposes Trust, Legal Practitioners Fidelity Fund Committee (LPFFC) and Legal Practitioners Trust Committee (LPTC) until 1 July 2005.

This relief is dependant on an appropriate notice being posted on our website warning that the relevant activities were not regulated under the *Corporations Act* or the *Insurance Act* as appropriate. I would refer those interested to the ASIC website, to Class Orders CO 03/1094 and 3/1095 and Information Release IR 43-03. Copies are also available from myself at the LSNT.

ASIC may grant permanent relief depending on the findings of the Commonwealth Review into Discretionary Risk funds and Foreign Insurers.

The best aspect of this temporary exemption is it gives us time to sort out a solution or look for permanent exemptions. A complication is that the new national model laws for the legal profession are scheduled to be implemented in the Territory before 1 July 2005. It is possible that the LSNT may need to apply for an Australian Financial Services License in respect of some activities before this date. I will keep you posted on developments.

Those who receive *The Practitioner* (the Law Society's weekly email newsletter) will note that the Commonwealth has promulgated regulations exempting a number of other lawyer activities from the operation of FSR. These regulations could be subject to disallowance and may not cover all the activities of a particular practitioner. The Law Council has put out a guide for lawyers on FSR issues - copies are available from the LSNT office or on the website, www.lawsocnt.asn.au.

On 20 January 2004, ASIC published a warning that unlicensed parties

carrying out financial services after 11 March 2004 will have to cease these activities or risk major penalties. It appears that ASIC is still considering over 500 license applications, including some from major institutions, and has indicated it may be difficult to process all applications for licenses or relief before 11 March 2004.

Thus far, we are pleased to have secured some breathing space for the Law Society, LPFFC and LPTC and some leeway for the profession.

It appears the hefty requirements of FSR have already driven a number of small players in the financial advice are out of the market - it makes you wonder if this was the point of the exercise. Lawyers are, apparently, also warning financial advisors that statements of advice, required under FSR, could need to be 90 pages in length to meet requirements under the *Corporations Regulations*. These would apparently be required each time shares were purchased on the advice of the financial advisor. It will be interesting to see how it all develops.

On a more cheerful note, the Territory's legal profession recently gathered for the Opening of the Legal Year ceremonies and the ceremonial sittings to welcome Chief Justice Brian Martin.

As noted in the President's report, the Secretariat is moving at the end of February 2004 to premises in Paspalis Centrepoint. The forbearance of members is sought during the time of the move. It will be a very hectic time. Four members of the Secretariat are also moving house or undertaking renovations during this time.



Barbara Bradshaw, Chief Executive Officer, LSNT

Finally a very busy Government legislative campaign is expected in 2004 with a lot of legislation being enacted and commencing. It is likely that the *Legal Practitioners Amendment (Costs and Advertising) Act* and the *Legal Practitioners (Incorporated Legal Practices and Multi Disciplinary Partnerships) Act* will both commence in about May 2004.

There will be more details in the next edition of *Balance*. ①

President's column cont...

Certainly time does fly. It is now ten years since I was admitted in the Northern Territory and I can not honestly say it has all been fun. I can however claim that it has been rewarding. A good proportion of those rewards have come from my work with Australian Women Lawyers, NT Women Lawyers and the Law Society. I think any contribution outside your regular job improves life. Looking around the Territory's legal profession, there are plenty of examples of people who contribute - whether it be to the Law Society, Darwin Community Legal Service, footy tribunals or other community groups. These activities are extremely valuable; both in terms of personal satisfaction and as a contribution to the community. ①