



Channel Newscast

November 2023 – Edition 18



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Introduction

Welcome to the November 2023 edition of the LexisNexis® Channel Partner Newscast, a regular update on what is happening in the world of the LexisNexis Regulatory Compliance solution.

This newscast is designed to provide our channel partners with advice on what's happening with our existing content offering, any future changes that we're considering, and what we're doing to promote the Regulatory Compliance solution out in the wider world.

November, it's all about CONTENT! We've launched new registers in Australia, the United States and the United Kingdom – further expanding our global footprint for your customers.

In the US, our focus is on the top states for State-chartered banks, while in the UK, we've equipped the insurance sector with a powerful library.

We hope that you'll find all this useful and that we can continue to work together to give all our customers the best regulatory compliance content in the world through the best GRC/ERM solutions available today.

New Modules

While we are committed to the process of continuing improvement in our existing content offering, here is a comprehensive list of newly launched modules for our customers in Australia, the US and UK.

Australia

It has been a busy few months for our global content team, expanding our offerings here in Australia at a rapid pace, while also supporting our newest markets in the UK and US. Last issue, we had hinted to a few new modules that were COMING SOON for 2023. All of them have launched!

Child Safety [Launched – September 2023]

The Australian Child Safety module provides information to organisations that operate with children or in child related industries. Organisations have an active and continued legal and moral obligation to protect children from harm. The aim of this module is to equip the subscriber with knowledge of their obligations and the processes and procedures necessary to establish the relevant systems and operations to ensure compliance with all applicable rules, regulations and mandatory procedures minimising and removing risks of harm to children and young people. All organisations working with children must implement robust policies and procedures to prevent abuse, enable early intervention and to respond to any reports of misconduct. Organisations that already provide services to children in Australia can use the module to confirm the adequacy of existing compliance measures and be informed on legislative changes in child safety, which is a rapidly changing area of law.

Energy - Wholesale Markets [Launched – October 2023]

Energy market participants must comply with significant requirements and procedures in accordance with legislation designed to ensure the quality of energy generation, distribution and transmission in Australia for consumers. Wholesalers including distributors, transmitters and generators, their employees and authorised individuals are expected to be familiar with the broad landscape of legal and regulatory obligations that apply, as well as more specific obligations relevant to the particular sector in which they are operating. The Energy Wholesale module equips customers with knowledge of their requirements under the National Electricity and National Gas Laws and Rules and the relevant systems and processes that should be implemented to ensure an effective compliance management system within their organisation.

Payment Systems - Western Australia [Launched - October 2023]

The Payment Systems module provides information to payment system providers, operators and participants in Australia. Organisations participating in the payments industry face complex regulation. While some obligations are created by federal legislation, the majority are the result of contractual arrangements between payment system participants and the bodies that govern the various networks that support the operation of payment systems in Australia and overseas. The Payment Systems module describes and explains these obligations. Organisations that already provide, operate or administer payment systems in Australia can use the module to confirm the adequacy of existing compliance measures and gauge the compliance burden of proposed expansions, including vessel management, harbour master and pilotage services, security considerations, environmental protections and more.

Ports Management - Western Australia [Launched - October 2023]

Port authorities and other port operators must comply with significant operational requirements and procedures in accordance with legislation designed to ensure the safe, efficient operation of vessel ports in Western Australia. Port authorities, port operators, their employees and authorised individuals are expected to be familiar with the broad landscape of legal and regulatory obligations that apply, as well as more specific obligations relevant to the particular sector in which they are operating. The Western Australia Ports Management module equips customers with knowledge of their requirements under Western Australian law and the relevant systems and processes that should be implemented to ensure an effective compliance management system within their port operations, including vessel management, harbour master and pilotage services, security considerations, environmental protections and more.

Trusts [Launched – October 2023]

This module aims to provide comprehensive guidance and practical insights to organisations acting as trustees of trusts within the Australian legal framework. As trustees bear the responsibility of managing and safeguarding trust assets, they assume significant legal obligations to act in the best interests of beneficiaries while adhering to the intricacies of trust law. By exploring the legal obligations imposed on trustees and the complexities involved in fulfilling them, this module aims to assist organisations in understanding and effectively complying with their fiduciary duties.

United States

With new territories comes new potential, and on November 1st we launched four new modules representing our first steps into the US market. Coverage is state-based and our focus brings us to the Midwest, with Illinois, Iowa, and Missouri representing the top states in the US for the number of State-chartered banks.

Consumer Banking – Illinois [Launched – November 2023]

The Consumer Banking – Illinois module addresses state laws in Illinois that apply to banks, lenders, and financial institutions. This module describes the legal and regulatory landscape that a banking organization should become familiar with when it seeks to offer consumer banking services or otherwise maintain a presence in Illinois.

Topics covered include:

- Financial Safety and Soundness
- Bank Management and Transactions
- Consumer Privacy and Data Security
- Consumer Protection for Accountholders
- Consumer Lending and Credit Protection
- Home Loans
- Anti-Bribery
- Financial Crimes Compliance

Consumer Banking – Iowa [Launched – November 2023]

The Consumer Banking – Iowa module addresses banks regulated by Iowa state laws. Understanding these laws and regulations will help Iowa state banks and other banks that operate in Iowa create comprehensive compliance programs, so they are prepared to operate effectively and legally within the state. Because of this, the module can be sold not only to Iowa state banks, but also to any banks that have offices or do business in Iowa.

Topics covered include:

- Minimum Capital Requirements
- Lending and Investment Limits
- Banking Powers and Activities
- Bank Management
- Requirements for Bank Offices and Branches
- Consumer Data Protection Requirements
- Safeguards for Consumer Accounts and Transactions
- Fair Lending – Anti-Discrimination
- Consumer Lending
- Maximum Interest Rates and Permitted Finance Charges
- Required Credit Disclosures
- Fair Housing – Anti-Discrimination
- Mortgage Lending and Related Requirements
- Anti-Bribery
- Prevention of Financial Crimes

Consumer Banking – Missouri [Launched – November 2023]

The Consumer Banking – Missouri module addresses state laws in Missouri that apply to banks, lenders, and financial institutions. This module describes the legal and regulatory landscape with which a banking organization should become familiar when it seeks to offer consumer banking services or otherwise maintain a presence in Missouri.

Topics covered include:

- Financial Safety and Soundness
- Bank Management and Transactions
- Consumer Privacy and Data Security
- Consumer Protection for Accountholders
- Consumer Lending and Credit Protection
- Home Loans
- Anti-Bribery
- Financial Crimes Compliance

Environmental, Social, and Governance (ESG) – Federal [Launched – November 2023]

The Environmental, Social, and Governance – Financial – Federal module explains how financial institutions operating in the United States can meet their environmental, social, and governance (ESG) obligations under federal law. This module will help financial institutions implement and maintain best practice processes, enabling organizations to retain a competitive advantage in an environment subject to increasing regulatory scrutiny and investor demand for ESG transparency.

Topics covered include:

- Environmental sustainability impact and strategy
- Green banks, loans, and bonds
- Deceptive environmental marketing
- Climate data disclosure
- Social impact and social responsibility strategy
- Social equity
- Reinvestment in local communities
- Social loans and bonds
- Corporate governance
- Governance and culture strategy
- Code of ethics
- NASDAQ board diversity
- Executive compensation policy and committee
- Employee benefit plans
- Whistleblower protection
- ESG reporting
- Voluntary ESG disclosures

United Kingdom

Looking across the pond to the UK, our new Casinos & Gambling module addresses a burning need following record fines passed down by the Gambling Commission earlier this year for non-compliance, while the Financial Services Authorisation, Insurance, and Sanctions modules represent a powerful package to enable compliance teams operating in the insurance sector – as a bonus, the FSA module delivers a foundation for us to expand our UK financial services offerings in 2024 and beyond!

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Topics covered include:

- Operating licenses
- Personal licenses
- Premises licenses
- Compliance and disclosure requirements
- The protection of children
- Responsible gambling
- Advertising requirements
- Tax requirements
- Additional requirements for remote gambling
- Additional requirements for non-remote gambling
- Anti-money laundering requirements
- Regulator powers
- Gaming machine related requirements
- Software requirements
- Customer relationships

Financial Services Authorisation [Launched – November 2023]

The Financial Services Authorisation module applies to all organisations operating in the financial services space in the UK, under the regulatory remit of the Financial Conduct Authority (FCA). It includes invaluable practical guidance on recent regulatory updates, including the new Consumer Duty!

Topics covered include:

- Organisation authorisation
- Individual authorisation
- Principals and appointed representatives
- Changes in control
- Variation of permission
- Regulatory reporting

- Financial crime
- Operational resilience
- Training and competence
- Consumer duty

Insurance [Launched – November 2023]

UK insurers operate in a dual-regulated space, and as such, must comply with a myriad of regulatory obligations. This module details the obligations that fall on businesses operating in the UK insurance sector, derived from the Rulebook of the Prudential Regulation Authority (PRA) and the Handbook of the Financial Conduct Authority (FCA).

Topics covered include:

- Pathways for authorisation
- Procedures for authorisation
- Requirements for authorisation
- The senior managers regime
- General PRA regulation Solvency II Regulation
- Regulation relating to specific events
- Customer relations – including consumer duty
- Conduct of business standards sourcebook
- Insurance conduct of business standards sourcebook

Sanctions – Financial [Launched – November 2023]

The Financial Sanctions module details the obligations stemming from the UK government's financial sanctions regime. This regime is split into two categories: geographic sanctions and thematic sanctions. It is vital that organisations understand and ensure compliance with both geographic and thematic sanctions. Failure to comply leads to significant penalties.

Topics covered include:

- The types of financial sanctions and how they operate
- Geographic sanctions (Russia, Afghanistan, Iran etc.)
- Thematic sanctions (Chemical weapons, Counter-terrorism, Cybersecurity etc.)
- Powers of the HM Treasury's OFSI and the National Crime Agency
- Exceptions and licenses
- Information and recordkeeping

Employment [Launched – November 2023]

Employment – a new Core Module – details the key obligations that employers owe workers and prospective workers. It details workers' rights, including practical guidance for employers to manage relationships with their workers – from recruitment stages through to the termination of employment. The obligations covered in this module will apply to all UK organisations, regardless of the sector of business.

Topics covered include:

- The types of financial sanctions and how they operate
- Geographic sanctions (Russia, Afghanistan, Iran etc.)
- Thematic sanctions (Chemical weapons, Counter-terrorism, Cybersecurity etc.)
- Powers of the HM Treasury's OFSI and the National Crime Agency
- Exceptions and licenses
- Information and recordkeeping

Workplace Health & Safety [Launched – November 2023]

Workplace Health & Safety covers the key duties that employers owe to their employees as well as to persons who may be affected by the employer's business activities (such as contractors, agency workers and members of the public). There are various health and safety requirements that all UK employers need to adhere to, regardless of the sector of their business. This module has been drafted to catch all those universal obligations.

Topics covered include:

- The general duties pertaining to the health, safety and welfare of employees, and non-employees connected with organisations
- Employee welfare management
- The role of the Health and Safety Executive, its powers of enforcement and the role of inspectors
- Management of construction work
- Management of asbestos in premises
- Compliance with fire safety laws; and
- The reporting of injuries, diseases, and dangerous occurrences.

Global

Banking [Launched – October 2023]

The activities of banks are regulated closely under national banking supervision regimes. In addition, supranational banking authorities such as the Basel Committee, Financial Action Task Force, Financial Stability Board, and European Commission create rules and standards designed to promote the stability and trustworthiness of banks around the world. The Global Banking module provides guidance on meeting international best practices in governance, administration, Basel III compliance, supervision, disclosures, and AML programs. This module will help banks avoid failures and support stability and compliance with international standards.

Technical Updates

LexisNexis Regulatory Compliance have completed the second module of the Module Consolidation and Enhancements exercise.

The module Australian Financial Services Licence (Product Issuers) [Module ID: 21139] will be renamed to Australian Financial Services Licensees [Module ID: 21139].

Australian Financial Services Licensees

Module Application

1. Does your organisation provide or deal in financial products or operate a registered scheme?
2. Does your organisation currently hold or intend to acquire an Australian Financial Services Licence (AFSL)?
3. Does your organisation have systems and processes in place to manage and monitor compliance with its obligations?

Module Scope

The Australian Financial Services sector encompasses significant areas of industry within the Australian economy, including;

- Financial advisory;
- Financial product issuers;
- Stockbroking;
- Funds management and superannuation;
- Hedge funds;
- Investment banking;
- Private banking;
- Retail banking;
- Insurance;
- Private equity;
- Margin lending;
- Asset-based finance and leasing;
- Foreign exchange; and
- Payment, clearing and settlement facilities.

As the primary regulator of the financial services sector, the Australian Securities and Investment Commission (ASIC) is tasked with licensing and monitoring all financial services businesses or organisations operating in these areas in Australia.

The *AUSTRALIAN FINANCIAL SERVICES LICENSEES* module provides an organisation licenced to operate or intending to become licenced to operate in the Australian financial sector, an understanding of their legal obligations specifically with regard to issuing financial products. The module also provides practical assistance and guidance to ensure these obligations are

complied with by demonstrating the establishment and maintenance of best practice processes within the organisation.

All individuals and organisations operating within the Australian financial sector that issue or intend to issue financial products should be subscribing to this module.

The *AUSTRALIAN FINANCIAL SERVICES LICENSEES* module covers the legal obligations of entities operating in the financial sector that as part of their business issue financial products.

The Australian Securities and Investment Commission (ASIC) is the primary regulator of the financial sector in Australia. ASIC is tasked with the role of licensing and monitoring organisations operating in the financial services sector to ensure that they comply with their legal obligations. To fulfil this role, ASIC has issued numerous regulatory guides and legislative instruments that provide practical guidance on compliance issues and assist credit licensees to understand how ASIC will exercise its powers. The *AUSTRALIAN FINANCIAL SERVICES LICENSEES* module covers the role and function of ASIC.

Australian credit providers and credit assistance providers must establish a robust compliance framework to ensure they comply with their core regulatory obligations. The framework should include systems for ensuring that the licensee;

- Is appropriately licensed for all credit activities it engages in and that any authorised credit representatives have been properly appointed;
- Engages in credit activities efficiently, honestly and fairly;
- Appropriately manages conflicts of interest;
- Has access to sufficient resources on a continuing basis;
- Maintains organisational competence;
- Has risk management and breach reporting systems in place;
- Complies with disclosure requirements;
- Makes reasonable inquiries as to a consumer's objectives, requirements and circumstances;
- Holds client money on trust where required;
- Engages in lawful advertising practices;
- Maintains required financial and other records;
- Has a complying internal dispute resolution system in place; and
- Is a member of an approved external dispute resolution scheme.

The *AUSTRALIAN FINANCIAL SERVICES LICENSEES* module covers the primary legislation imposing legal obligations on the Australian Financial Sector;

- Corporations Act 2001 (Cth) (CA);
- Financial Services Reform Act 2001 (Cth);
- Corporations Regulations 2001 (Cth); made under the CA and significantly affecting its operation and application;
- Australian Securities and Investments Commission Act 2001 (Cth) (ASIC Act); which contains a suite of consumer protections;
- Privacy Act 1988 (Cth); which establishes principles in relation to the collection, storage, use and disposal of personal information by public sector and certain private sector entities; and
- Regulatory Guides issued by ASIC that provide practical guidance on compliance issues and information as to how ASIC will exercise its powers.

The legal obligations that are specific to issuers of financial products are the main focus of the

AUSTRALIAN FINANCIAL SERVICES LICENSEES module. The legal obligations are intended to promote:

- Confident and informed decision-making by consumers;
- Efficiency, flexibility and innovation;
- Fairness, honesty and professionalism;
- Fair, orderly and transparent financial markets;
- The reduction of systemic risk; and
- Fair and effective services by clearing and settlement facilities.

The module provides practical advice to the financial sector product issuer intended to ensure compliance with the legal obligations including;

- The licensing process and authorisation of representatives;
- General operational obligations such as organisational competence and resourcing;
- Disclosure, including Financial Services Guides and a Statement of Advice;
- Dealing in good faith with clients' money and other property;
- Reporting processes;
- Market misconduct and other prohibited actions;
- Record-keeping and financial statements; and
- Effective dispute resolution.

Continued or systemic failure to meet product issuer legal obligations exposes the Australian financial sector licensee to consequences including criminal liability, significant pecuniary penalties and reputational damage to the organisation. The *AUSTRALIAN FINANCIAL SERVICES LICENSEES* module comprehensively covers the range of specific consequences that apply to different breaches or failures by Australian credit licensees.

The *AUSTRALIAN FINANCIAL SERVICES LICENSEES* module provides comprehensive coverage of the legal obligations of Australian financial sector licensees issuing financial products to consumers. The module does not cover the procedures or processes to be followed by individuals, entities or consumers relying on financial products issued by Australian financial sector licensees who have suffered damages or losses due to breaches of obligations by an Australian financial sector licensee.

Marketing

Australia

Payment Systems Checklist

Organisations participating in the payments industry face complex regulation, both in Australian and globally. Significant consequences can apply to organisations and authorised individuals found to have breached or not complied with their legal obligations.



Authored in conjunction with Temogen Hield, Principal at My General Counsel and Legal Expert for LexisNexis Regulatory Compliance, this checklist guides you to identify your compliance requirements related to payment systems. It covers Licensing, Registration and Membership, Debit and Credit Cards, Cash and Cheques, Eftpos, Buy Now Pay Later Providers, Privacy, Consumer Protection, Reporting Requirements and more.

If you would like to share this checklist with your AUSTRALIAN customers, please use this link: <https://www.lexisnexis.com.au/en/insights-and-analysis/research-and-whitepapers/2023/your-free-payment-systems-checklist>

New Zealand

ESG Whitepaper & Checklist | Purpose and Stewardship: Embedding ESG at all levels of the organisation

Across businesses of all sizes, the Environmental, Social, and Governance (ESG) articulation of organisational strategy is fast becoming the favoured lens through which business priorities are considered, achieved, and measured.

But what does it take to effectively embed an ESG framework within a business?

LexisNexis Regulatory Compliance has prepared a paper, with a checklist, that explores the practicalities of purpose and stewardship. Discover what Boards and senior leaders need to do in order to centralise strategy, decentralise ownership, and cascade a robust ESG framework throughout their organisations.

If you would like to share this whitepaper with your NEW ZEALAND customers, please use this link: <https://www.lexisnexis.co.nz/en/insights-and-analysis/blogs/whitepaper/complimentary-paper-and-checklist-purpose-and-stewardship-embedding-esg-at-all-levels-of-the-organisation>



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About LexisNexis Regulatory Compliance

LexisNexis Regulatory Compliance helps you forge a clear path to compliance.

With LexisNexis content know-how at the core, our compliance registers, alerts, and information-driven solutions make compliance uncomplicated for GRC professionals across the globe.