

AFCA amends rules to reflect COVID-19 small business relief measures

14 May 2020

The Australian Financial Complaints Authority (AFCA) has made changes to its rules which will affect how it deals with complaints from small business owners regarding certain COVID-19 relief measures.

The changes will:

- limit the matters AFCA may take into account when considering a complaint about a loan provided under the Coronavirus SME Guarantee Scheme. The Scheme is a Federal Government initiative to provide small and medium sized business with access to working capital to help them get through the impact of the Coronavirus,
- require AFCA to exclude complaints about repayment deferrals provided to small business borrowers for existing loans, where the deferral is provided between 25 April 2020 and 24 April 2021.

The changes to AFCA's rules follow the issue of a notifiable instrument made by the Treasurer on 24 April 2020 which amended AFCA's Authorisation Conditions and required AFCA to amend its Rules.

ASIC has directed AFCA to make the required amendments without public consultation given the urgency of the Government's COVID-19 economic responses, and the requirement that AFCA amend its rules and apply those amendments to complaints received from 25 April 2020.

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