

# AUSTRALIAN REGULATORY UPDATE – 2 NOVEMBER 2022

Article By:

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## 1. ASIC takes its first ‘greenwashing’ action

ASIC has taken its first ‘greenwashing’ action against Tlou Energy Limited (**Tlou**). Tlou has paid a total of \$53,280 to comply with four infringement notices issued by ASIC over concerns about alleged false or misleading sustainability-related statements. Tlou have not admitted guilt.

The infringement notices were issued in relation to statements and images contained in two ASX announcements made by Tlou in October 2021. The statements claimed, for example, that:

- electricity produced by Tlou would be carbon neutral;
- Tlou had environmental approval and the capability to generate certain quantities of electricity from solar power; and
- Tlou’s gas-to-power project would be ‘low emissions’.

ASIC said that it had “reasonable grounds” to believe that these claims were false or misleading. The fine follows recent warnings from regulators that they are targeting greenwashing. ASIC has further warned that companies engaging in similar misconduct would also face scrutiny.

## 2. Wise becomes the first non-bank to be approved for an exchange settlement account at the RBA

The London-based fintech is a money transfer business that also issues multi-currency spending cards.

Until now, Wise ran its payments through an international bank with a banking licence, adding costs, and has held capital under its purchased payment facility licence.

Wise says the RBA’s decision will reduce costs for consumers and allow it to connect directly to the real-time payments system. This will allow Wise to compete more aggressively with Australian banks, especially for services relating to international travel and remittance.

### 3. Senate Committee has considered the Financial Accountability Regime and Compensation Scheme of Last Resort Bills

The Senate Economics Legislation Committee has considered the package of bills to establish the Financial Accountability Regime (**FAR**) and Compensation Scheme of Last Resort (**CSLR**).

On 24 October 2022, the Committee delivered its [report](#) and has recommended that the bills be passed. Greens and Coalition senators separately recommended amendments to the bills including:

- a requirement for greater scrutiny of the Australian Financial Complaints Authority and the CSLR operator;
- an inquiry by the Senate into the enforcement capability and capacity of ASIC and a statutory reporting obligation “to capture any communication between ASIC and the CSLR operator and AFCA to reduce moral hazard and ensure law enforcement remains ASIC’s key focus”;
- a limit on the Ministerial discretion in relation to special levies to fund the CSLR; and
- the imposition of civil penalties for breaches of individuals’ accountability obligations under the FAR.

*Anabelle Weinberg also contributed to this article.*

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