



FSA GROUP LIMITED

20 November 2018

Market update

Potential Senate Inquiry

FSA Group is aware of a potential Senate inquiry into parts of the finance sector.

We do not believe we will be called upon in relation to debt agreements because of the inquiry conducted by the Senate Legal and Constitutional Affairs Legislation Committee in March 2018, which resulted in the passing of amendments to the Bankruptcy Act in September 2018 which take effect from 27 June 2019.

Amendments to the Bankruptcy Act

The amendments to the Bankruptcy Act will limit the time to repay debt under a debt agreement to three years for non-home owners while allowing those who own a home up to five years.

The amendments have created two classes of debtors: those with a home and those without a home. Non-home owners may be adversely affected by this change as a three year term may not provide commercially acceptable rates of return to creditors resulting in these three year debt agreement proposals being rejected. The likely consequence of this may be an increase in non-home owners exploring other solutions to resolve their unmanageable debt.

Impact of these changes on FSA Group

FSA Group is a diversified debt solution provider. Unlike some of our competitors, we offer a range of solutions to assist clients with unmanageable debt. These solutions include debt consolidation, informal arrangements, debt agreements, personal insolvency agreements and bankruptcy.

We do not see these amendments as having a material impact on the number of clients we are able to assist or the long term financial performance of FSA Group.

Cellina Chen
Company Secretary