

## Point of Sale Exemption

Under the NCCP Act, everyone involved in any way with the credit process is required to hold an Australian credit licence (ACL). This includes vendors who assist their consumer customers obtain finance for the products or services they wish to purchase.

However, there are a range of exemptions, one of which applies to vendor introducers (introducers) who facilitate consumer finance for their customers.

It is known as the Point of Sale (POS) exemption. It only applies where the introducer deals directly with the credit provider/lessor and facilitates finance of the vendor's own products or services.

The exemption does not apply when the introducer introduces customers to a broker, even one that holds an ACL.

The exemption criteria is not in the NCCP Act, but in the NCCP Regulations. Very specific criteria must be met for the exemption to apply.

The key obligations involved in POS introducer compliance are:

- The introducer is regulated under the NCCP Act and is responsible for his/her own compliance
- The POS exemption only applies where the introducer provides its own goods or services and introduces customers directly to credit providers/lessors
- POS introducers cannot facilitate introductions to brokers under the POS exemption
- The POS exemption no longer applies if
  - the customer responds to unsolicited contact
    - e.g. unrequested marketing materials
  - the customer responds to marketing from non-standard business premises
    - e.g. shopping centres, shows, airports etc
- Credit providers/lessors are responsible for the conduct, training and monitoring of POS introducers
- Brokers are responsible for ensuring POS introducers only refer business under a referrer exemption, not the POS exemption

Intermediary management is complex and legal advice should be sought if there is any doubt about the scope and limitations of the POS exemption or any other exemption open to introducers.

Our training module on the Point of Sale Exemption provides more information – <http://creditwise.talentlms.com/catalog>

Alternatively, contact Steve Edwards on 0414232562 or [Steve.Edwards@creditwise.com.au](mailto:Steve.Edwards@creditwise.com.au)

*This Compliance Guide provides a high level explanation of how the current law may impact on finance sector businesses. However, the application of the law may vary according to circumstances and readers should seek legal advice for their specific situation.*

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