



**ANGLICAN INVESTMENT  
& DEVELOPMENT FUND**

# Early Access to Funds Policy

April 2017

## Version control

| <b>Version</b> | <b>Authorisation</b> | <b>Date</b>   | <b>Review due</b> |
|----------------|----------------------|---------------|-------------------|
| 1              | Board approval       | 27 April 2017 | May 2018          |

# Early Access to Funds Policy

## Purpose of the policy

The purpose of this policy is to ensure that the AIDF has clear guidelines in relation to the circumstances in which it may release funds to retail investors.

## Background

*Banking exemption No 1 of 2016* exempts religious charitable development funds from the requirement to be registered as an Australian depositing taking institution under the *Banking Act 1959*. The exemption is given on certain conditions, including:

- (a) retail products issued to retail investors must have a minimum term or call period of 31 days,
- (b) retail investors must not be able to redeem any funds for 31 days from the date they are invested in the retail product, unless the investor provides a written request to pay some or all of the funds invested.

In order to release the funds under paragraph (b) above, the Fund must be satisfied that the investor has demonstrated that he or she is subject to exceptional circumstances that may lead to hardship and that it is appropriate to release the funds.

In order to be satisfied that the funds may be released, the Fund must have a written procedure which sets out the basis upon which the Fund will determine whether exceptional circumstances that may lead to hardship exist that would warrant the early release of an investor's funds.

*ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813* exempts charitable investment fundraisers from the fundraising provisions of the *Corporations Act 2001* in relation to debentures and managed investment schemes on certain conditions, including that products issued to retail non-associated clients must have a minimum term or call period of 31 days.

Again, there is an exception for the early release of funds to an individual if the Fund is satisfied that the repayment or redemption would alleviate financial hardship that holder is suffering or would suffer if the funds are not released.

## Application of policy

APRA's definition of "retail investor" excludes affiliates. ASIC's restriction on allowing short term repayment is limited to retail non-associated clients and its exception for the early release of funds applies to individuals. Consequently, this policy will apply to retail non-associated clients who are individuals.

## **Circumstances of release**

### **Compassionate grounds**

To qualify for early release of funds on compassionate grounds, the individual must demonstrate that they need to cover expenses that they or their dependants incur for:

- medical expenses (including medical transportation),
- stopping foreclosure on a mortgage over their home,
- stopping eviction for the non-payment of rent,
- modifications to their house or car due to disability, and
- palliative care or funeral expenses.

### **Financial grounds**

To qualify for early access on financial hardship grounds, the individual must demonstrate that they are unable to meet reasonable and immediate family living expenses.

### **Assessment**

Applications for the early release of funds will be assessed against the above criteria by the Relationship Manager. After assessment a recommendation will be made to the Chief Executive Officer who will decide whether or not the funds should be released.

If a client is unhappy with the outcome of the assessment, he or she will be advised of our complaint handling procedure, including the ability to seek an internal review or a review by the Financial Ombudsman Service.

### **Review and approval**

The early access to funds policy will be reviewed annually by the Board. Any changes to the policy will be recommended by management and approved by the Board.

### **Compliance**

All personnel are required to understand and comply with their responsibilities outlined in this policy.

Non compliance with this policy may result in disciplinary action up to and including dismissal.

### **Feedback**

Feedback on this policy is encouraged and may be submitted to the CEO.

### **Related documents**

- *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813*
- *Banking exemption No 1 of 2016*
- Complaint handling policy
- Complaint handling procedures