

**Table 2: What requirements apply?**

Category of AFS licensee	Base level financial requirements (Section B)			Additional requirements (Sections C–D and Appendices 1–9)		
	Solvency and positive net assets requirement	Cash needs requirement	Audit requirement	NTA requirement	SLF requirement	ASLF requirement
All AFS licensees except bodies regulated by APRA and others listed in RG 166.13: see Sections B–D  Note: If you are an RSE licensee authorised to operate registered managed investment schemes, these requirements apply	✓	✓	✓ <sup>1</sup>	✓ if required in one of Appendices 1–8	✓ if holding client money or property valued at \$100,000 or more	✓ if transacting with clients as principal <sup>2</sup>
Market and clearing participants: see Appendix 1	The financial requirements do not apply if the financial requirements of the relevant market or clearing and settlement facility are an adequate substitute.					
Responsible entities: see Appendix 2	✓	✓ tailored	✓ tailored	✓	✓ if holding client money or property valued at \$100,000 or more	✓ if transacting with clients as principal
Investor directed portfolio service (IDPS) operators: see Appendix 3	✓	✓ tailored	✓ tailored	✓	✓ if holding client money or property valued at \$100,000 or more	✓ if transacting with clients as principal
Custodial or depository services: see Appendix 4	✓	✓ tailored	✓ tailored	✓ depending on the nature of your business	✓ if holding client money or property valued at \$100,000 or more	✓ if transacting with clients as principal
Trustee companies providing traditional services: see Appendix 5	✓	✓	✓	✓	✓ if holding client money or property valued at \$100,000 or more	✓ if transacting with clients as principal

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	Solvency and positive net assets requirement	Cash needs requirement	Audit requirement	NTA requirement	SLF requirement	ASLF requirement
Issuers of margin lending facilities: see Appendix 6	✓	✓	✓	✓	✓ if holding client money or property valued at \$100,000 or more	✓ if title to the security provided for the loan passes away from the client, or otherwise transacting with clients as principal
Foreign exchange dealers: see Appendix 7	✓	✓	✓	×	✓ if holding client money or property valued at \$100,000 or more	✓ you can choose to comply with the ASLF requirement or a capital requirement
Retail OTC derivative issuers: see Appendix 8	✓	✓ tailored	✓ tailored	✓ this replaces the ASLF requirement	✓ if holding client money or property valued at \$100,000 or more	×
CSF intermediaries: see Appendix 9	✓	✓ tailored	✓ tailored	×	✓ if holding client money or property valued at \$100,000 or more	✓ if transacting with clients as principal

<sup>1</sup> If you are granted a limited AFS licence, the audit requirement will not apply to you if you are only licensed to provide one or more limited financial services and you do not deal with money to which Div 2 of Pt 7.8 of the Corporations Act applies: see reg 7.8.12A. You will be able to lodge a compliance certificate rather than have to undertake an annual audit: see our webpage [Limited financial services](#) for more information. However, you will still need to lodge financial statements (as required by s989B(1) and 989B(2)).

<sup>2</sup> OTC retail derivative issuers and foreign exchange dealers electing to meet a capital requirement generally do not need to meet the ASLF requirement.