

MEDIA RELEASE

ALFA welcomes changes to its membership structure

ALFA was established in April 2018. ALFA Funder Members include Augusta Ventures, Balance Legal Capital, CASL, Court House Capital, Ironbark Funding, Investor Claim Partner, Litigation Lending Services, Premier Litigation Funding, Southern Cross Litigation Finance and Vannin Capital (together, Funder Members).

ALFA's primary purpose is to facilitate the enhancement of the Australian Litigation Funding Industry (**Industry**) including, by:

- a. providing education, training and information concerning Litigation Funding and the Industry to its Members and the Industry's stakeholders and prospective plaintiffs;
- b. actively lobbying the Government and legislators, and engaging with other regulators and policymakers to help shape the legal and regulatory framework of Litigation Funding in Australia; and
- c. promoting best practice and ethical behaviour amongst litigation funders in Australia.

One of ALFA's first tasks was to establish a set of Best Practice Guidelines for Members to have regard to when establishing their own policies and procedures.

Further, ALFA and its Funder Members have helped to shape the legal and regulatory framework of litigation funding in Australia by *inter alia*:

- a. making oral and written submissions to the Australian Law Reform Commission's inquiry into Class Action Proceedings and Third-Party Litigation Funders in 2018 and 2019;
- b. making oral and written submissions to the Parliamentary Joint Committee on Corporations and Financial Services into Litigation Funding and the Regulation of the Class Action Industry in Australia in 2020;
- c. successfully applying for leave to be heard at the Federal Court of Australia's Full Court and High Court hearing in the Seven-Eleven Class Action based on public interest grounds on the question as to whether the Court has power at any time to grant a common fund order in favour of a funder;
- d. making written submissions to the Australian Treasury in response to the Treasurer's announcement in May 2020 that he would be introducing regulations that would result in litigation funders being required to obtain an Australian Financial Services Licence and that funded class actions would be treated as managed investment schemes;
- e. making written submissions to the Australian Treasury following the publication of the Corporations Amendment (Litigation Funding) Regulations 2020 (Cth) (Regulations), which sought to implement the regulatory regime foreshadowed in May 2020;
- f. making written submissions to, and appearing before, the Senate Economics

- Legislation Committee Inquiry into Treasury Laws Amendment (2021 Measures No. 1) Bill, which sought to amend the continuous disclosure obligations and the misleading and deceptive conduct provisions of the Corporations Act 2001 (Corporations Act) and the Australian Securities and Investments Commission Act 2001 (ASIC Act) to remove strict liability for companies and officers that fail to disclose market-sensitive information;
- g. Making written submissions to Treasury and the Attorney-General's Department in relation to its consultation into guaranteeing a minimum return of class action proceeds to class members;
 - h. Making written and oral submissions to the Te Aka Matua o te Ture | Law Commission in 2021;
 - i. Making written submissions to ASIC in relation to the Litigation Funding Schemes: Guidance and Relief | ASIC Consultation Paper 345 (CP 345);
 - j. Making a successful application to ASIC for conditional relief from the requirement to disclose the relevant information in dollar terms in the PDSs of registered litigation funding schemes. This application was made on behalf of ALFA Members, but it benefits the litigation funding industry more broadly; and
 - k. held conferences in Sydney and Melbourne to discuss and debate issues arising in the Australian class action and litigation funding industry. These conferences attracted lawyers, barristers, insurers, regulators, academics and judges from both the Supreme and Federal Courts of Australia.

Due to the extensive changes in the class action industry, ALFA has, by necessity, been very focused in this area. It is ALFA's desire to broaden its industry focus and with that, its membership base. This is why ALFA has decided to open its membership base to include Honorary and Associate Members to its ranks.

The Existing Members are Full Members of ALFA. Full Membership is open to all Funders and Managers who agree to comply with the Rules of the Association, the Constitution and the Best Practice Guidelines.

ALFA has now added the following membership categories to its existing membership structure:

- a. Honorary Membership of ALFA - Honorary Membership is open to an academic individual or body corporate who agrees to comply with the Constitution, the Rules of the Association and the Best Practice Guidelines (to the extent they are applicable); and
- b. Associate Membership of ALFA is open to any body corporate or government entity that has an interest or involvement in Litigation Funding and who agrees to comply with the Constitution, the Rules of the Association and the Best Practice Guidelines (to the extent they are applicable).

The Member benefits are to:

- a. Be part of a collective that leads thinking and change;
- b. Contribute to how the Litigation Funding Industry evolves - through advocacy and collaboration;
- c. Access valuable industry insight and peer networking;

- d. Tap into forums for practical discussion of tough issues – a mutual learning environment for subject matter experts to drive positive outcomes;
- e. Have a voice with regulators, policy makers and other key industry segments, especially when advocacy is needed on the challenges, risks and costs of change;
- f. Be informed of change in the industry ahead of time;
- g. Benefit from an industry view on key policy issues that you can use to educate and inform your key stakeholders, both internal and external;
- h. Understand the size and reach of the Litigation Funding Industry through official statistics and data collection; and
- i. Participate in exclusive member events on the key themes affecting the Litigation Funding Industry, client segments and people.

Chair of the Association of Litigation Funders of Australia (ALFA), John Walker, said that he was thrilled to see such an overwhelming interest in the new membership structure of ALFA.

“There has been such excitement and positivity surrounding the new membership structure of ALFA and we are grateful to all those companies and individuals who jumped on board so quickly, including, the Banton Group, Cornwalls, Epiq, Johnson, Winter & Slattery, Korda Mentha, Mayweathers, McGrath Nicol, Piper Alderman and William Roberts Lawyers. We have a number of exciting projects that are being worked on by the Funder Members and we look forward to working with all of the ALFA members to advance ALFA's primary purpose to facilitate the enhancement of the Australian Litigation Funding Industry,” Mr Walker.