

Release of the PJC Report on its inquiry into class actions and litigation funding

Summary

- **The Australian Parliamentary Joint Committee on Corporations and Financial Services has tabled a report on its inquiry into class actions and litigation funding.**
- **The report and its recommendations will be considered by the Federal Government.**

Omni Bridgeway Limited (**Omni Bridgeway**) refers to its previous announcements concerning the establishment in May 2020 of an inquiry by the Parliamentary Joint Committee on Corporations and Financial Services (**Committee**) into class actions and litigation funding. The Committee's inquiry report has now been tabled in the Australian parliament.

The Committee's report includes substantial discussion and analysis of issues including the application of the financial services regulatory framework to class action funding, returns to class members and litigation funders, the prevalence of class action proceedings, contingency fees and a range of other issues. The report also contains 31 recommendations, which will be considered by the Federal Government over coming months.

As a pioneer of litigation funding in Australia, Omni Bridgeway participated fully in the Committee's inquiry process, lodging several submissions and being called to provide evidence in the inquiry's public hearings. Omni Bridgeway appreciated the opportunity to provide its views to the Committee and looks forward to engaging with government as it considers the inquiry's recommendations.

Many of the Committee's recommendations reflect Omni Bridgeway's existing practices and views on sector regulation; if implemented, these changes would raise the bar in a way that would require other industry participants to meet Omni Bridgeway's high standards.

On the issue of returns to class action members and litigation funder fees, the Committee considered a range of reform options, including Omni Bridgeway's recommendation of a statutory minimum of 50% of gross proceeds be returned to class members. The Committee acknowledges the balance that is required to achieve both outcomes for class members as well as reasonable litigation funding returns. Rather than express a concluded view, the Committee recommends the Federal Government consult on a number of matters including whether a minimum gross return of 70% to class members is the most appropriate floor.

In its consideration of securities class actions, the Committee has deliberated on Australia's continuous disclosure regime and recommended that temporary changes introduced relating to the COVID-19 pandemic be made permanent. Given the broader significance of the continuous disclosure regime to the Australian listed company environment, Omni Bridgeway anticipates any potential change of this kind to be the subject of more general comment and public policy debate.

Omni Bridgeway reiterates its longstanding belief in appropriate industry regulation, including licensing. Regulation offers important protection for consumers as well as benefits for the industry in terms of its credibility and standing.

Authorised by the Disclosure Committee

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