



ASIC
Australian Securities &
Investments Commission

**Australian Securities
and Investments Commission**

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6 March 2020

Mr Jason Lange
Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Email: helpdesk@obpr.gov.au

OBPR ID: 25418

Dear Mr Lange

Regulation Impact Statement – final assessment second pass

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for the regulatory framework for foreign financial services providers. The regulatory burden to business, community organisations and/or individuals has been quantified and offsets have been identified and quantified using the Regulatory Burden Measurement framework. These have been agreed with your office.

I am satisfied that the RIS addresses the concerns raised in your letter of 14 February 2020 and the further detailed comments provided in the attachment to the letter. In addition to the RIS addressing the detailed comments the RIS has been revised to address the following concerns raised in the 14 February 2020 letter:

- **Background / Assessing the problem**—the RIS has been amended to elaborate on the harm that is occurring under the current regulatory arrangements and the limitations on ASIC's supervisory and enforcement tools under the current relief framework for foreign providers.
- **Impact analysis**—the RIS has been amended to provide more information on ASIC's cost benefit analysis of the proposed options.
- **ASIC's response to consultation feedback**—the RIS has been amended to include information on how ASIC has responded to consultation feedback.
- **Conclusion and recommended option**—the RIS has been amended to summarise the main points as to why the recommended option has the greatest net benefit.

The regulatory impact of the preferred option has been quantified and agreed with your office at \$225 million over 10 years.

The regulatory burden to business and individuals has been quantified using the Regulatory Burden Measurement framework. A regulatory offset has not been identified. However, ASIC is seeking to pursue net reductions in compliance costs and will work with affected stakeholders and across the portfolio to identify regulatory burden reductions where appropriate.

Accordingly, I am satisfied that the RIS now meets best practice consistent with the *Australian Government Guide to Regulation*.

I submit the RIS to the Office of Best Practice Regulation for formal final assessment.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A. Fawcett', with a stylized flourish at the end.

Andrew Fawcett
Senior Executive Leader, Strategic Policy
Australian Securities and Investments Commission