



Australian Banking
Association

8 February 2019

Adam Bogiatzis
Consumer and Corporations Policy Division
The Treasury
Langton Crescent
Parkes ACT 2600

Dear Sir

ASIC Industry Funding Model and Registry Search Fees

The Australian Banking Association (ABA) appreciates the opportunity to provide a submission in response to the Treasury consultation on the Treasury Laws Amendment (ASIC Cost Recovery and Fees) Regulations 2019.

The ABA has long supported an industry funding model for ASIC and included this goal as part of its banking industry reform package in 2016. The ABA adopted this stance because it recognises the importance of a well-resourced and effective regulator, as well as an effective regulatory framework.

The ABA has participated throughout the process of implementing the ASIC industry funding model, in an effort to ensure the model is rolled out smoothly and efficiently.

We note that these regulations amend the ASIC Supervisory Cost Recovery Levy Regulations 2017 to provide for a new subsector to enable ASIC to recover its regulatory costs incurred from its program of 'close and continuous monitoring' (CCM) of certain significant financial institutions. Entities that fall within the new subsector will pay a levy calculated in accordance with the basic levy component formula in section 9 of the Levy Regulations. Under this formula, ASIC's regulatory costs for the subsector will be shared equally between all entities that meet the requirements as at 1 July 2018.

The ABA supports the CCM initiative and its members are committed to co-operating with ASIC to ensure its success. The ABA supports the principle that costs of the close and continuous monitoring program should be contributed to by industry.

We note that details of the costs to be recovered will be set out in the Cost Recovery Implementation Statement (CRIS) for 2018-19, and we look forward to providing input to that process when ASIC releases its draft for consultation.

Yours faithfully,

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