

By email: ASICFunding@treasury.gov.au

8 February 2019

Dear Adam

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

**Treasury Laws Amendment (ASIC Cost Recovery and Fees) Regulations 2019
(Non-confidential submission)**

NSX is a licensed market operator and is the second largest listing exchange in Australia. As a Tier 1 marketplace, the fundamental purpose of NSX is capital formation; that is, bringing together companies which require capital to fund growth, with investors who have capital and are looking for investment opportunities. Through its role as a securities exchange and as an alternative market providing competition to ASX, NSX sees itself as facilitating innovation, diversification of investment, economic growth and job creation in the Australian economy due to its focus on companies with a sub \$50m market-cap. The aims of the NSX are facilitated by a diverse and effective base of market participants who act as the essential intermediaries in matching investors with opportunities.

NSX makes this submission against a background and ambition of ensuring the existence and longevity of a viable listed company and participant community which is able to cater to the needs of a diverse range of investors and issuers.

NSX is a licensed market operator functioning under the same regulatory framework as market operators, and the companies that are listed on NSX are subject to the disclosure obligations required under the Corporations Act.

With reference to the Exposure draft issued recently we wish to outline some concerns that we have with regards to the proposed Regulations as presented.

Schedule 2 – Registry fees

In relation to Part 1 – Amendments commencing day after registration, NSX would like further clarity regarding the proposed Fee. According to the proposals the fee is payable on the lodging of an application, under subsection 796A(2) of the Corporations Act 2001. This section of the Act stipulates that the Minister may on his or her own initiative impose conditions or additional conditions or vary conditions on the licence. With regards to this, would the licensee be required to pay these fees since it is not the one making the application but a change is being imposed upon it?

Further, we request that can further clarity be provided in relation to what determines the different complexity groupings within the fee structure as well as how the cost is calculated.

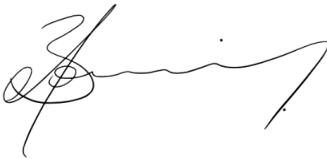
In relation to Part 3 – Application, saving and transitional provisions (Clause 1 of Schedule 2 (table items 19A to 21)), we propose that the exemption be extended to include licenced market operators. Our reasoning is that by including market operators within this section it will assist with:

- Research and due diligence of companies considering their suitability to list and participate in Australia's financial markets;
- Provide greater surveillance reach for the market operators, and
- Enhance and strengthen the gatekeeper functions of the market operators.

We look forward to hearing ASIC's further thinking on this matter.

NSX confirms that no part of this response is confidential and that ASIC may publish it in its entirety.

Yours sincerely

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

Ann Bowering

Managing Director and CEO