

# Apex Compliance Solutions

Q2 Update – Australia

Issue 1, July 2023



Title	Description	Further information
<b>ESG topics</b>		
<b>Infringement notice issued for greenwashing</b>	<p>On 21 April 2023, the Australian Securities and Investments Commission (ASIC) issued an infringement notice to superannuation fund promotor in further action against alleged greenwashing.</p> <p>ASIC was concerned that a Facebook post made may have been false or misleading by overstating the positive environmental impact of the Fund.</p> <p>The infringement notice was paid on 27 April 2023. Payment of an infringement notice was not an admission of guilt or liability.</p> <p>ASIC Deputy Chair, Sarah Court, says 'we expect the industry to be able to stand by their sustainability statements and back these up with evidence'.</p> <p>The action is part of ASIC's continuing focus on greenwashing broadly, in statements to the market, disclosure documents, marketing material and on social media.</p>	<p>ASIC media release  <a href="https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-110mr-asic-issues-infringement-notice-to-superannuation-fund-promoter-for-greenwashing/">https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-110mr-asic-issues-infringement-notice-to-superannuation-fund-promoter-for-greenwashing/</a></p>
<b>Government's commitment to tackling greenwashing</b>	<p>On 21 April 2023, the Treasurer, The Honourable Dr Jim Chalmers MP, announced the government's intention to provide a further \$4.3 million to ASIC to help crack down on businesses making misleading claims about the sustainability or energy efficiencies of their products. This supports ASIC's current enforcement priority on greenwashing and expand its surveillance and enforcement functions. This funding was also confirmed as part of the federal budget for 2023-24.</p> <p>In addition, the Minister announced plans to introduce a sovereign green bond program in Australia. The program is designed to allow investors to support public projects driving Australia's transition to net zero while also boosting the scale and credibility of Australia's green finance market. The program is expected to commence in 2024, once a framework had been developed.</p>	<p>Press conference  <a href="https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/transcripts/joint-press-conference-brisbane-0">https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/transcripts/joint-press-conference-brisbane-0</a></p>
<b>Recent greenwashing interventions</b>	<p>On 9 May 2023, the Australian Securities and Investments Commission (ASIC) released a short report, ASIC's recent greenwashing interventions (Report 763), detailing the 35 interventions made in response to its greenwashing surveillance activities from 1 July 2022 to</p>	<p>ASIC media release  <a href="https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-121mr-update-on-asic-s-recent-">https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-121mr-update-on-asic-s-recent-</a></p>

31 March 2023. These interventions follow the release of ASIC's Information Sheet 271 How to avoid greenwashing when offering or promoting sustainability-related products (INFO 271).

Since releasing Information Sheet 271 in June 2022, ASIC has undertaken reactive and proactive surveillance covering disclosure documents (including PDSs), advertisements, websites and other market disclosures.

The interventions range from securing timely corrections (23), issuing public infringement notices (11) and civil penalties (1). All interventions are aimed at promoting fair and transparent markets so that retail investors and financial consumers are well informed and not misled on the 'green credentials' of investments.

Report 763 provides transparency and examples in relation to the matters where ASIC has intervened, with reference to:

- net zero statements and targets
- use of terms such as 'carbon neutral', 'clean' or 'green' fund labels
- scope and application of investment exclusions and screens.

Ongoing ASIC surveillance and further investigations are currently underway with the expectation of further regulatory action by ASIC.

ASIC's expectations are that Report 763, along with Information Sheet 271, will be used to help in preparing sustainability-related disclosures.

[greenwashing-actions/](#)

Report 763

<https://download.asic.gov.au/media/ao0lz0id/rep763-published-10-may-2023.pdf>

Information Sheet 271

<https://asic.gov.au/regulatory-resources/financial-services/how-to-avoid-greenwashing-when-offering-or-promoting-sustainability-related-products/>

<p><b>Comprehensive sustainable finance agenda</b></p>	<p>As part of the 2023-24 federal budget announced on 9 May 2023, to support Australia to be regarded as a desirable green finance market, the government will provide \$14.2 million over four years from 2023–24 to support its sustainable finance agenda, including:</p> <ul style="list-style-type: none"> <li>• establish a sovereign green bond program to raise capital for environmental and climate change related programs</li> <li>• fund the Australian Securities and Investments Commission (ASIC) to investigate and undertake enforcement action against market participants engaging in greenwashing and other sustainable finance misconduct</li> <li>• support the initial development of a sustainable finance taxonomy for classifying economic activities according to their impact on sustainability goals.</li> </ul>	<p>Budget documents</p> <p><a href="#">Budget documents   Budget 2023–24</a></p>
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## ASIC Chair's speech at ESG Summit

On 5 June 2023 the Chair of the Australian Securities and Investments Commission (ASIC), Joe Longo, addressed the Australian Financial Review's ESG Summit stating that ESG disclosure expectations will only increase and reiterated ASIC's continued focus on tackling greenwashing. Mr Longo stated, 'ESG is not a trend' but rather 'the next stage in a long series of important moves towards greater transparency and higher disclosure standards' that will continue to evolve, especially when it comes to environmental reporting.

Three of ASIC's key focus areas were discussed.

1. Governance. In light of the expected introduction of mandatory, internationally aligned disclosure requirements in Australia, and the global push towards disclosure into 'new' ESG areas (i.e., impact on nature/biodiversity), Mr Longo said that companies need to be thinking about integrating ESG into their governance frameworks and structures.

2. Greenwashing. There was the reiteration that greenwashing remains a key enforcement priority for ASIC and ASIC is actively monitoring for, and stands ready to take action to address, instances of suspected greenwashing. Mr Longo pointed to ASIC's recently released report (REP 763), and referenced the regulator had further surveillances and investigations afoot.

'Greenhushing' was also raised, where companies cease all voluntary ESG-disclosure out of purported concern about the regulatory response to such disclosures. Mr Longo made it clear that ASIC does not consider this response to be justified, and in fact considers it to constitute another form of greenwashing.

3. Sustainable Finance. The growth in sustainable finance was described as 'the biggest change in the financial services sector in a generation'. As a result of this global shift, ASIC is engaging at both the domestic and global level to ensure an informed view is taken and ensure ASIC is positioned to meet the challenges ahead.

A copy of the speech

<https://asic.gov.au/about-asic/news-centre/speeches/asic-chair-s-afr-esg-summit-speech/>

REP 763

<https://download.asic.gov.au/media/ao0lz0id/rep763-published-10-may-2023.pdf>

### ASIC Chair warns major change is underway

The Australian Securities and Investments Commission (ASIC) Chair, Joe Longo, emphasised the profound impact of environmental, social, and governance (ESG) factors on financial reporting and disclosure standards during his speech at the CEDA State of the Nation conference on 13 June 2023. He highlighted global trends, revealing that four in five individuals in the UK are focussed on

A copy of the speech

ESG: Major change is underway, and we need to be ready | ASIC

	<p>investments that do good, not just provide a financial return.</p> <p>Firms should be well advanced in embedding robust corporate governance practices ahead of more rigorous reporting requirements that are imminent in the standards being released by the International Sustainability Standards Board's (ISSB) in two weeks. These ambitious standards will require companies to adopt a systematic approach to collecting and analysing data across the company itself, and its supply chains.</p> <p>The Treasury also intends to put out a position paper on these standards that will cover the government's plans for when they are intended to be adopted and come into operation, and a scaled introduction, depending on the size of entity, is expected. The paper is anticipated to be published within the next two weeks.</p> <p>ASIC's enforcement action over alleged greenwashing was also discussed, with Mr Longo signalling that there remained room for improvement. References were made to inaccurate labelling and vague terms such as "carbon neutral" without reasonable justification. Issuers and advisers were encouraged to consider ASIC's recent report on greenwashing when preparing disclosure documents.</p>	
<p><b>Superannuation funds accused of breaching human rights by investing in Santos project</b></p>	<p>On 30 April 2023, it was reported that twenty of Australia's largest superannuation funds have been accused of breaching human rights laws and an obligation to act in their members' best financial interests by investing in Santos' \$5.8 billion Barossa gas project in the Timor Sea. The action has been bought by the Traditional Owners of three First Nations and super fund members. In sending complaints to the superannuation funds, it is alleged that each fund has failed to act in accordance with international human rights principles as a result of being unable to ensure that Santos avoids adverse human rights impacts.</p>	<p>Business and human rights resource centre Australia: Superannuation funds are accused for breaching human rights by investing in Santos' \$5.8 billion Barossa gas project - Business &amp; Human Rights Resource Centre (<a href="https://business-humanrights.org">business-humanrights.org</a>)</p>
<p><b>New statement of expectations for APRA</b></p>	<p>On 7 June 2023, the Treasurer, The Hon Dr Jim Chalmers MP, announced the release of the updated Statement of Expectations (SoE) for the Australian Prudential Regulation Authority (APRA).</p> <p>The government has outlined its expectations for APRA regarding the regulation of banking, insurance companies and superannuation funds. The government's primary focus is to maintain the stability and strength of</p>	<p>Media Release <a href="https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/apra-statement-expectations">https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/apra-statement-expectations</a></p> <p>Statement of expectations</p>

	<p>Australia’s financial system, while ensuring that APRA is responsive to changing economic conditions.</p> <p>For the first time, the government is explicitly requiring APRA to consider climate change risks as part of its work, including promoting transparency in relation to financial risks and the adoption of climate reporting standards.</p> <p>Acknowledging the potential burdens that regulations can impose on small businesses, the government has added an expectation for APRA to consider the relative size and business models of regulated entities.</p> <p>On the same day and in response to the government’s statement, APRA published its Statement of Intent (Sol).</p> <p>The Sol outlines APRA’s response to the government’s expectations regarding APRA’s role, government policy priorities, relationships with external stakeholders, and organisational matters, and confirms APRA’s intention to continue striving to be a high-performing and responsive prudential regulator for the benefit of the Australian community.</p>	<p><a href="https://www.apra.gov.au/statement-of-expectations">https://www.apra.gov.au/statement-of-expectations</a></p> <p>Statement of intent</p> <p><a href="https://www.apra.gov.au/statement-of-intent">https://www.apra.gov.au/statement-of-intent</a></p>
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**Global sustainability disclosure standards released**

On 26 June 2023 the International Sustainability Standards Board (IISB) issued its new global sustainability and climate disclosure standards, expected to form the basis for emerging international sustainable reporting requirements. The standards are designed to improve trust and confidence in company disclosures about sustainability and provide a common language for disclosing the effect of climate-related risks and opportunities.

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term. It requires “an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.”

IFRS S2 Climate-related Disclosures (IFRS S2) sets out specific climate-related disclosures and is designed to be used with IFRS S1. It is intended to “require an entity to disclose information about its climate-related risks and opportunities” through its general purpose financial reporting. This will allow report users and decision-

IFRS news release  
<https://www.ifrs.org/news-and-events/news/2023/06/issb-issues-ifrs-s1-ifrs-s2/>

IFRS S1  
<https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s1-general-requirements/>

IFRS S2  
<https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s2-climate-related-disclosures/>

makers to understand an organisation’s exposure and resilience to climate-related physical risks and transition risks.

The Australian Treasury published the second round of consultation on Climate-related financial disclosure. Refer below for further detail.

<p><b>Climate-related financial disclosure: second consultation</b></p>	<p>Building on the previous discovery consultation on climate-related financial disclosure, on 27 June 2023 the government released its second consultation seeking views on proposed positions for the detailed implantation and sequencing of standardised, internationally aligned requirements for disclosing climate-related financial risks and opportunities in Australia.</p> <p>The consultation paper includes a roadmap for mandatory disclosure requirements which proposes that from July 2024 onwards, particular entities would commence reporting. Reporting entities are grouped into three depending on their size, assets and revenue, and this determines their timeframe for meeting the obligations.</p> <p>It is intended that that the Australian standards will be aligned as far as practicable with the final standards developed by the International Sustainability Standards Board (ISSB) and the Australian Accounting Standards Board (AASB) is expected to consult on these in the second half of 2023. Treasury will continue to work closely with the AASB on the development of Australia’s climate-related disclosure requirements. Where legislation is required to give effect to the new requirements, exposure draft legislation will be released.</p> <p>Consultation is open until 21 July 2023.</p>	<p>Treasury release  <a href="https://treasury.gov.au/consultation/c2023-402245">https://treasury.gov.au/consultation/c2023-402245</a></p> <p>Consultation paper  <a href="https://treasury.gov.au/sites/default/files/2023-06/c2023-402245.pdf">https://treasury.gov.au/sites/default/files/2023-06/c2023-402245.pdf</a></p>
<p><b>Establishment of an anti-slavery commissioner</b></p>	<p>As part of the 2023-24 federal budget announced on 9 May 2023, an amount of \$8.0 million over four years (with \$2 million ongoing) will be allocated to establish and Anti-Slavery Commissioner who will work across government, industry, and civil society, to support compliance with the Modern Slavery Act 2018.</p>	<p>Budget documents  <a href="#">Budget documents   Budget 2023–24</a></p>
<p><b>Modern Slavery Act review</b></p>	<p>The On 25 May 2023, the Attorney General released the Report of the statutory review of the Modern Slavery Act 2018 (Cth). The Modern Slavery Act required a review to be conducted three years after it commenced (on 1 January 2019). The 12-month review commenced on 31</p>	<p>Report  <a href="https://www.ag.gov.au/sites/default/files/2023-05/Report%20-%20Statutory%20Review%20of%20the%20Modern%20Slavery%20Act%20">https://www.ag.gov.au/sites/default/files/2023-05/Report%20-%20Statutory%20Review%20of%20the%20Modern%20Slavery%20Act%</a></p>

	<p>March 2022.</p> <p>Public consultation was at the centre of the review and included publication of an Issues Paper in August 2022, an online questionnaire based on the Issues Paper, an online survey sent to all entities that had submitted a statement under the Act, and targeted consultations and meetings around Australia, both in person and online.</p> <p>The report includes 30 recommendations, with a focus on strengthening the Act's reporting obligations and compliance. The report includes recommendations to:</p> <ul style="list-style-type: none"> <li>• Extend the reporting obligation to businesses with a consolidated annual revenue of \$50 million or more, down from the current \$100 million threshold (Recommendation 4).</li> <li>• Mandatory implementation of a due diligence system by entities, going beyond mere reporting to actively identify, assess and address risks (Recommendation 11).</li> <li>• Clear reporting requirements including identification of high-risk regions and supply chains (Recommendation 8).</li> <li>• Penalties for failure to report, knowingly providing false information, or neglecting to implement of a due diligence system (Recommendation 20).</li> <li>• The appointment of an Anti-Slavery Commissioner for compliance oversight (Recommendation 30).</li> </ul> <p>The recommendations are yet to be legally binding.</p>	<p>202018.PDF</p>
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**NSW anti-slavery commissioner's strategic plan**

On 22 June 2023, the NSW Anti-slavery Commissioner announced its three-year strategic plan, Working Together for Real Freedom, outlining steps to combat the rise in modern slavery across NSW.

Key elements include:

- removing products of modern slavery from public procurement;
- establishing a support and referral hotline for those in modern slavery;
- putting modern slavery survivors at the heart of anti-slavery efforts;
- fostering responsible business practices in the private sector;
- equipping frontline workers to identify and report modern slavery; and
- establishing an expert advisory panel and holding anti-slavery forum twice a year.

The estimated number of people in modern slavery in

Commissioner's media release – <https://dcj.nsw.gov.au/justice/anti-slavery-commissioner/news-and-media/nsw-takes-global-lead-as-slavery-numbers-skyrocket.html>

Strategic plan – <https://dcj.nsw.gov.au/documents/legal-and-justice/anti-slavery-commissioner/plans-and-discussion-papers/working-together-for-real-freedom-nsw-anti-slavery-commissioners-strategic-plan-2023-2026.pdf>



NSW has grown to over 16,400. Modern slavery is estimated to cost NSW around \$956 million to \$9.6 billion.

Title	Description	Further information
<b>AML/CTF topics</b>		
<p><b>AML/CTF legislative reform</b></p>	<p>On 20 April 2023, the Attorney General released a consultation paper on proposed reforms of Australia’s anti-money laundering and counter-terrorism financing (AML/CTF) regime.</p> <p>The proposed reforms include extending the existing AML/CTF legislation to capture additional 'tranche-two' high risk entities, including lawyers, accountants, trust and company service providers, real estate agents and dealers in precious metals and stones.</p> <p>The aim of the reforms is to:</p> <ul style="list-style-type: none"> <li>• modernise and clarify the regime in line with international standards and best practice</li> <li>• reduce complexity and regulatory burden on industry</li> <li>• ensure the regime is fit for purpose</li> <li>• strengthen Australian businesses and sectors against exploitation by serious organised criminals.</li> </ul> <p>As part of the consultation process, consideration will also be given to the findings of the Financial Action Task Force's mutual evaluation of Australia, and the Statutory Review of the AML/CTF Framework.</p> <p>The consultation paper is in two parts.</p> <p>Part 1 proposes reforms to simplify and modernise the regime. The need to streamline obligations has long been called for by industry and was recommended by the 2016 Report on the Statutory Review of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (2016 Statutory Review). The 2016 Statutory Review found that the regime is overly complex and impedes the ability of regulated entities to understand and comply with their AML/CTF obligations. In particular, the scale, structure and density of the Rules was considered to be a significant issue, rendering them hard to follow and largely inaccessible, particularly for small business. The feedback from industry indicated that there is a pressing need to simplify the Act and Rules and</p>	<p>Media release  <a href="https://ministers.ag.gov.au/media-centre/consultation-major-reform-australias-anti-money-laundering-and-counter-terrorism-financing-laws-20-04-2023">https://ministers.ag.gov.au/media-centre/consultation-major-reform-australias-anti-money-laundering-and-counter-terrorism-financing-laws-20-04-2023</a></p> <p>Consultation detail  <a href="https://www.austrac.gov.au/consultation-commences-amlctf-reforms">https://www.austrac.gov.au/consultation-commences-amlctf-reforms</a></p>

streamline AML/CTF obligations.

One of the proposals includes the streamlining of the current Part A and Part B requirements into a single requirement to develop, implement and maintain an AML/CTF program that is effective in identifying, mitigating and managing a regulated business' money laundering and terrorism financing risk.

Part 2 proposes extending the AML/CTF regime to certain high-risk professions, including lawyers, accountants, trust and company service providers, real estate agents and dealers in precious metals and stones (also known as tranche-two entities). Out of more than 200 jurisdictions, Australia is now one of only five, alongside China, Haiti, Madagascar and the United States, that do not regulate tranche-two entities.

Feedback was open until 16 June 2023. During this time, roundtable discussions will also be held. Feedback will be considered, with a second round of consultation expected to commence in September 2023.

<b>AML/CTF legislative reforms update</b>	<p>On 27 June 2023, Australian Transaction Reports and Analysis Centre (AUSTRAC) provided an update on the reforms, acknowledging that the first round of public consultations on the proposed reforms to the current anti-money laundering and counter-terrorism financing regime had closed and the all feedback is currently being reviewed by the Attorney-General's Department.</p> <p>Further consultation is expected throughout the year, which will be informed by the feedback from the first round.</p>	<p>AUSTRAC update <a href="#">Update on the proposed AML/CTF legislative reforms   AUSTRAC</a></p>
<b>Strengthening the anti-money laundering framework</b>	<p>As part of the 2023-24 federal budget announced on 9 May 2023, the government committed to providing \$14.3 million in funding over a period of four years. To commence 2023-24, the funding is designed to strengthen Australia's defences against illicit financing and to assess the effectiveness of the country's anti-money laundering framework.</p> <p>This will include additional resourcing to support consolidation on the modernisation of the anti-money laundering and counter-terrorism financing (AML/CTF) regime.</p>	<p>Budget documents <a href="#">Budget documents   Budget 2023-24</a></p>
<b>National risk assessment of money</b>	<p>To demonstrate Australia's understanding of national money laundering and terrorism financing risks, the Australian Transaction Reports and Analysis Centre</p>	<p>Survey <a href="#">Australia's National Risk</a></p>

<p><b>laundering and terrorism financing</b></p>	<p>(AUSTRAC) has undertaken two national risk assessments: one on money laundering and one on terrorism financing.</p> <p>A survey, which closed on 30 June 2023, was conducted to gather insights into Australia’s current money laundering and terrorism financing environment and the measures currently in place to mitigate the risks. The aim of the assessments is to: identify, assess and understand the current and emerging risks, provide an evidence base to inform policy and operational responses as well as provide contextual guidance to financial institutions on the scale and impact of AML and CTF risks.</p>	<p><a href="#">Assessments of Money Laundering and Terrorism Financing (office.com)</a></p>
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<p><b>AUSTRAC release new e-learning modules</b></p>	<p>On 27 June 2023, the Australian Transaction Reports and Analysis Centre (AUSTRAC) released two new anti-money laundering and counter-terrorism financing (AML/CTF) e-learning modules which focus on:</p> <ul style="list-style-type: none"> <li>• conducting enhanced customer due diligence (ECDD)</li> <li>• submitting suspicious matter reports (SMRs).</li> </ul> <p>Not designed to replace the mandatory AML/CTF risk awareness training that a business is required to provide their staff, these modules can assist staff in understanding:</p> <ul style="list-style-type: none"> <li>• how and when to conduct ECDD</li> <li>• the requirements and reasons for ECDD</li> <li>• what different types of ECDD mean in practice</li> <li>• how to identify a suspicious matter and provide quality SMRs</li> <li>• how SMRs are used in real life case studies.</li> </ul>	<p>AUSTRAC update <a href="#">New e-learning modules now available   AUSTRAC</a></p> <p>Module access <a href="#">E-learning   AUSTRAC</a></p>
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Title	Description	Further information
<b>General Regulatory topics</b>		
<p><b>Industry Funding Model review report released</b></p>	<p>On 26 June 2023, the government released the final report on the Review of the Australian Securities and Investments Commission Industry Funding Model. The Review was led by Treasury in consultation with ASIC, the Department of Finance and the Department of the Prime Minister and Cabinet.</p> <p>The Review found that the settings of the ASIC Industry Funding Model (IFM) remain broadly appropriate but that refinements can be made within the existing framework to improve the way regulatory costs are recorded and to communicate IFM settings to industry more effectively. Ten recommendations were made in the Review, with four directed to ASIC:</p> <ul style="list-style-type: none"> <li>• Spreading the costs of certain regulatory activities (taking action against unlicensed operators, regulating emerging sectors, and capital expenditure) either across a wider population or over time to recognise the wider benefits of those activities.</li> <li>• Undertaking further consultation to ensure sub-sector definitions, metrics and formulas used to calculate levies remain fit-for-purpose.</li> <li>• Delegating the fee-setting power to ASIC to ensure fee amounts continue to reflect full cost recovery.</li> <li>• ASIC to enhance its reporting, transparency, and consultation arrangements on the IFM.</li> </ul> <p>The Review also considered the temporary levy relief for personal advice licensees that was in place for 2020-21 and 2021-22. The temporary levy relief for this sub-sector will not be extended.</p>	<p>Media release  <a href="https://ministers.treasury.gov.au/ministers/stephen-jones-2022/media-releases/review-asic-industry-funding-model-0">https://ministers.treasury.gov.au/ministers/stephen-jones-2022/media-releases/review-asic-industry-funding-model-0</a></p> <p>Final report  <a href="https://treasury.gov.au/consultation/c2022-317130">Review of the Australian Securities and Investments Commission Industry Funding Model Final Report (treasury.gov.au)</a></p> <p>Discussion paper  <a href="https://treasury.gov.au/consultation/c2022-317130">https://treasury.gov.au/consultation/c2022-317130</a></p>
<p><b>Cost recovery implementation statement</b></p>	<p>On 28 June 2023, the Australian Securities and Investments Commission (ASIC) published its annual Cost Recovery Implementation Statement (CRIS). The CRIS provides information on how ASIC implements the industry funding model and recovers:</p> <ul style="list-style-type: none"> <li>• the costs of the regulatory activities for each industry subsector in 2022-23; and</li> <li>• their user-initiated and transaction-based regulatory costs via fees for service in 2022-23.</li> </ul> <p>The CRIS contains ASIC's estimated costs and levies for each industry subsector in 2022-23 to assist entities plan</p>	<p>ASIC media release  <a href="https://asic.gov.au/about-asic/what-we-do/how-we-operate/asic-industry-funding/cost-recovery-implementation-statement/cost-recovery-implementation-statement-2022-23/">https://asic.gov.au/about-asic/what-we-do/how-we-operate/asic-industry-funding/cost-recovery-implementation-statement/cost-recovery-implementation-statement-2022-23/</a></p> <p>CRIS for Investment</p>

and budget for the levies and fees to be charged. Noting that the figures in the CRIS are indicative only.

Superannuation trustees, defined as those that are an RSE licensee (within the meaning of the SIS Act) will incur an estimated minimum levy of \$18,000 plus \$13.68 per \$1 million of assets above the \$250 million threshold.

Entities that are AFS licensees authorised to provide financial product advice that is general advice only will incur an estimated flat levy of \$2,635.

Invoices will be issued between January and March 2024 once the actual levies have been calculated.

management, super and related services sector  
<https://download.asic.gov.au/media/0kmlascl/2022-23-cris-d-investment-management-superannuation-and-related-services-sector-28-june-2023.pdf>

CRIS for advice sector  
<https://download.asic.gov.au/media/vrqhuhys/2022-23-cris-f-financial-advice-sector-published-28-june-2023.pdf>

**Draft financial system and regulatory metrics framework consultation commenced**

On 15 June 2023, the Financial Regulator Assessment Authority (FRAA) released the Draft Financial System and Regulator Metrics Framework (Framework) for consultation. The draft Framework is designed to enhance its ability to assess the effectiveness and capability of the Australian Prudential Regulation Authority (APRA) and Australian Securities and Investments Commission (ASIC).

Treasury release  
<https://treasury.gov.au/consultation/c2023-407732>

FRAA release  
<https://fraa.gov.au/consultations/draft-financial-system-and-regulator-metrics-framework>

The FRAA was established in response to a recommendation of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry to establish an independent oversight authority tasked with assessing the effectiveness and capability of APRA and ASIC. The Royal Commission also proposed that over time the oversight authority should develop a comprehensive list of items against which each agency's performance is evaluated. The FRAA has continued to develop its methodology to assess regulator effectiveness and capability. The FRAA established operational indicators to assess regulator effectiveness and capability, which have evolved and were applied in the 2022 ASIC review and 2023 APRA review.

Consultation paper  
<https://fraa.gov.au/sites/fraa.gov.au/files/2023-06/c2023-407732.pdf>

The Framework includes metrics to provide another input for future effectiveness and capability assessments, and to assist the FRAA to provide context and insights for its reviews.

The consultation is open for feedback until 27 July 2023.

**Treasury Laws Amendment (2023 Law Improvement Package No. 1) Bill 2023 introduced**

The Treasury Laws Amendment (2023 Law Improvement Package No 1) Bill 2023 (Bill) was introduced into Parliament on 14 June 2023.

Schedules 1 to 3 to the Bill implement recommendations identified by the Australian Law Reform Commission (ALRC) in Interim Reports A and B from the ALRC Review to simplify and improve the navigability of the law. This includes 'unfreezing' the application of the Acts Interpretations Act 1901 (AIA) to the Corporations Act 2001 and the ASIC Act 2001, creating a single glossary for all defined terms in the Corporations Act, repealing redundant definitions, addressing unclear or incorrect provisions and simplifying unnecessarily complex provisions in the law. The amendments in these Schedules are minor and technical in nature and do not engage policy considerations.

Schedule 5 to the Bill makes amendments to laws in the Treasury portfolio to move matters currently in ASIC legislative instruments into the primary law. Amendments to the Corporations Act incorporate section 6 of ASIC Corporations (Superannuation and Schemes; Underlying Investments) Instrument 2016/378.

The new subsection 941C(2A) exempts a trustee of a superannuation entity from providing a financial services guide (FSG) where the financial service is dealing in the ordinary course of operation of the superannuation entity. In addition, the new subsection 941C(2B) exempts a responsible entity of a registered scheme from providing a FSG where the financial service is dealing in the ordinary course of operation of the scheme. These are currently addressed within the existing instrument, ASIC Corporations (Superannuation and Schemes; Underlying Investments) Instrument 2016/378. The new subsection 941C(2C) exempts the corporate director of a corporate collective investment vehicle (CCIV) from providing a FSG where the financial service is dealing in the ordinary course of operating the business and conducting the affairs of the CCIV. No current provision exists for this.

Schedule 6 to the Bill makes several minor and technical amendments to Treasury portfolio legislation. The amendments demonstrate the government's ongoing commitment to the care and maintenance of Treasury portfolio legislation. The amendments correct drafting

**Draft bill**

[https://parlinfo.aph.gov.au/parlInfo/download/legislation/bills/r7046\\_first-reps/toc\\_pdf/23076b01.pdf;fileType=application%2Fpdf](https://parlinfo.aph.gov.au/parlInfo/download/legislation/bills/r7046_first-reps/toc_pdf/23076b01.pdf;fileType=application%2Fpdf)

**Explanatory memorandum**

[https://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/r7046\\_em\\_s\\_0684f7a1-edbe-4f2f-90e0-d2858a4dae58/upload\\_pdf/JC009905.pdf;fileType=application%2Fpdf](https://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/r7046_em_s_0684f7a1-edbe-4f2f-90e0-d2858a4dae58/upload_pdf/JC009905.pdf;fileType=application%2Fpdf)

errors, repeal inoperative provisions, address unintended outcomes and make other technical changes.

**Review of legislative framework: Interim Report C released**

On 22 June 2023, the Australian Law Reform Commission’s (ALRC) Interim Report C Financial Services Legislation (ALRC Report 140) (Interim Report C) was tabled in Parliament. This is the third and final interim report as part of the ALRC’s Review of the Legislative Framework for Corporations and Financial Services Regulation.

Interim Report C contains recommendations, proposals and question in relation to the reform of corporations and financial services legislation, specifically Chapter 7 of the Corporations Act and the Corporations Regulations, including:

- restructuring and reframing provisions of Chapter 7 of the Corporations Act and Part 2 Div 2 of the ASIC Act;
- creating a schedule to the Corporations Act to be known as the Financial Services Law;
- implementing and assessing reforms to financial services legislation;
- principles for structuring and framing corporations and financial services legislation; and
- clarifying penalty provisions.

Interim Report C shows how unpacking and repacking financial services legislation could make it more user-friendly and easier to navigate. The ALRC suggests that financial services legislation should find a new home and legislative identity in a schedule to the Corporations Act — to be known as the Financial Services Law. This new home would allow a reformed structure and framing to be implemented, less burdened by the drafting styles and ad hoc legislative design choices of the past.

The disclosure provisions are called out as among the most complex and least coherent provisions of the Corporations Act, making extensive use of over 600 notional amendments, dozens of conditional exemptions, and excessively prescriptive provisions in primary legislation. The structure of disclosure provisions can mean that regulated entities face a collection of puzzle pieces, which they must seek to piece together to understand their obligations.

A reform roadmap that is based around six reform pillars has also been proposed. The first four pillars cover the

ALRC release  
<https://www.alrc.gov.au/news/unpacking-and-repacking-chapter-7-improving-the-structure-and-framing-of-financial-services-legislation/>

Consultation  
<https://www.alrc.gov.au/publication/fsl-report-140/>

Interim Report C  
<https://www.alrc.gov.au/wp-content/uploads/2023/06/ALRC-FSL-Interim-Report-C-140.pdf>

Summary of Interim Report C  
<https://www.alrc.gov.au/wp-content/uploads/2023/06/ALRC-FSL-C-Summary-Report.pdf>

provisions relating to consumer protection, disclosure, financial advice and general regulatory obligations. Pillar five covers financial services-related provisions not addressed in the earlier pillars. Pillar six acknowledges the possibility that policy initiatives may result in new or amended provisions which could be implemented using the proposed legislative model and consistently with the ALRC’s proposed principles for structuring and framing legislation.

Submissions are open until 26 July 2023. The ALRC is expected to hand down the final report by 30 November 2023.

<p><b>Review of legislative framework: Background paper on superannuation released</b></p>	<p>As part of the Review of the Legislative Framework for Corporations and Financial Services Regulation, the Australian Law Reform Commission (ALRC) has published its 11th Background Paper (Paper). The Paper addresses key principles and research areas that inform the development of recommendations.</p> <p>The Paper’s specific focus is superannuation and the legislative framework for financial services including:</p> <ul style="list-style-type: none"> <li>• Outlining how superannuation works and the common classification of funds and products.</li> <li>• Attempting to explain the complex legal and regulatory framework that governs superannuation, including the roles of APRA and ASIC.</li> <li>• Discussing financial product advice in the context of superannuation, including intra fund advice.</li> </ul> <p>The following conclusions are made in the Paper:</p> <ul style="list-style-type: none"> <li>• The complexities in the superannuation sector highlight the need to achieve greater coherence, adaptiveness, efficiency, and navigability in the current legislation for financial services and products. Interim Report B has proposed a legislative model that could be used to better ‘manage legislative complexity, maintain regulatory flexibility and address unforeseen circumstances or unintended consequences of regulatory arrangements’.</li> <li>• As the framework governing superannuation consists of an intermingling matrix of general law principles, legislation, and self-regulatory regimes, any reform requires thorough consideration of whether other sources of superannuation law and regulation may be affected. Specifically, those areas in which alignment might be appropriate between the obligations of registrable superannuation entities (RSEs) and those of Australian Financial</li> </ul>	<p>ALRC release  <a href="https://www.alrc.gov.au/publication/superannuation-and-the-legislative-framework-for-financial-services-fsl11/">https://www.alrc.gov.au/publication/superannuation-and-the-legislative-framework-for-financial-services-fsl11/</a></p> <p>Background Paper FSL11  <a href="https://www.alrc.gov.au/wp-content/uploads/2023/05/FSL11-Superannuation.pdf">https://www.alrc.gov.au/wp-content/uploads/2023/05/FSL11-Superannuation.pdf</a></p>
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	<p>Services (AFS) licensees, and those areas in which bespoke regulation in respect of superannuation should be maintained.</p> <p>Submissions noted that, like the Corporations Act, the SIS Act has been subject to many complex amendments and demonstrate complexity and sub-optimal design. Accordingly, a similar review into the SIS Act may be beneficial.</p>	
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**Response to the Quality of Advice Review**

On 13 June 2023, The Hon Stephen Jones MP, Assistant Treasurer and Minister for Financial Services, announced the government’s Delivering Better Financial Outcomes package, adopting most of the Quality of Advice Review recommendations. Legislation is expected to be developed over the coming year, with adoption of the reforms to be progressively rolled out in discrete streams.

The first stream, focussing on financial advisers, is designed to remove the red tape that adds to the cost of financial advice and provides no benefit to consumers. This stream includes:

- Consolidating three different fee documents into one and the removal of the requirement to provide a fee disclosure statement.
- Allowing more flexibility in how financial services guides (FSG) are provided.
- Removing the safe harbour steps from the Best Interests Duty.
- Replacing the lengthy and legalistic statements of advice (SOA) with a financial advice record that is more fit-for-purpose.
- Introducing written consent requirements for consumers before they purchase an insurance product that results in a commission payment.

The second stream will address the large and growing gap in the availability of retirement advice. This will be achieved through the expansion of the provision of personal financial advice by superannuation funds to their members. This will allow funds to consider broader circumstances, such as their member’s Age Pension entitlements and family situation, when they provide advice on retirement matters.

Media release  
<https://ministers.treasury.gov.au/ministers/stephen-jones-2022/media-releases/delivering-better-financial-outcomes-roadmap-financial>

ASFA address  
<https://ministers.treasury.gov.au/ministers/stephen-jones-2022/speeches/address-association-superannuation-funds-australia>

Response release  
<https://treasury.gov.au/publication/p2023-407255>

Overview of response  
<https://treasury.gov.au/sites/default/files/2023-06/p2023-407255-ov.pdf>

The government will also provide greater certainty for superannuation trustees concerning the payment of financial adviser fees at the member's direction.

The government is expected to work with industry to consider the scope of advice that funds will be able to provide, the education standards that fund employees/representatives will need to meet in order to provide advice, and how those providing advice will be held to an appropriate duty.

The third stream will consider further expansion of the provision of personal financial advice to other institutions, such as banks and insurers.

Some measures, such as consent requirements, FSGs and removal of exemptions, may just move to Exposure Draft legislation. Others will require implementation detail consultation (for example, what does a reduced SOA look like and the outright or partial removal of the safe harbour steps).

Legislation to implement the recommendations accepted by the government is planned for the second half of 2023 and early 2024.

<b>Internal dispute resolution data reporting changes</b>	<p>The Australian Securities and Investments Commission (ASIC) has registered the ASIC Corporations (Amendment) Instrument 2023/282, which amends the ASIC Corporations (Internal Dispute Resolution Data Reporting) Instrument 2022/205. The new Instrument makes changes to the internal dispute resolution (IDR) reporting requirements, including extending the lodgement window from one month to two months for each period, deferring the reporting obligation for some financial firms by six months, and providing minor clarification amendments to the IDR data reporting handbook.</p> <p>The Instrument extends the staged approach to the implementation of the IDR reporting obligations to three tranches. Reporting by the first tranche has already commenced reporting with 97 large financial firms having reported their IDR data in early 2023. The second tranche is due to commence reporting for the period to 30 June 2023, and all other firms to commence reporting for the period ending 31 December 2023.</p> <p>Schedule 1 of the Instrument specifies approximately</p>	<p>ASIC media release <a href="https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-117mr-asic-updates-the-implementation-timeframe-for-the-internal-dispute-resolution-data-reporting-framework/">https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-117mr-asic-updates-the-implementation-timeframe-for-the-internal-dispute-resolution-data-reporting-framework/</a></p> <p>Legislation <a href="https://www.legislation.gov.au/Details/F2023L00510">https://www.legislation.gov.au/Details/F2023L00510</a></p> <p>Explanatory statement <a href="https://www.legislation.gov.au/Details/F2023L00510/Explanatory%20Statement/Text">https://www.legislation.gov.au/Details/F2023L00510/Explanatory%20Statement/Text</a></p> <p>Overview of IDR data reporting</p>
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260 financial firms included in the second tranche. The list includes several super funds that are required to submit their IDR data to ASIC by August 2023.

All remaining financial firms not identified within tranche one or two will not be required to submit their IDR data until the end of February 2024, covering the period from 1 July 2023 to 31 December 2023.

Item 5 of the Schedule of the Instrument removes previous transitional provisions and standardises the requirement for IDR information to be given to ASIC within two months after the end of each reporting period. It also clarifies that complaints received by the licensee are to be included.

In addition, Item 8 of the Schedule of the Instrument adds two additional subsections that provide for financial firms to notify ASIC if they have no complaints to report for a reporting period and that this is to be provided within two months after the end of the reporting period.

Item 1 of the Schedule to the Instrument amends section 4 of the ASIC Corporations (Internal Dispute Resolution Data Reporting) Instrument 2022/205 replacing the definition of 'closed' to clarify that it relates to complaints received by financial firms and does not include complaints that were subsequently reopened and remain open at the time.

ASIC will not publish IDR data until all financial firms have commenced reporting after 29 February 2024 and plans to communicate its final approach to publishing the data in advance of publication.

handbook changes  
<https://download.asic.gov.au/media/3j0iutx2/idr-data-reporting-handbook-overview-of-changes-between-march-2022-and-april-2023-published-05-may-2023.pdf>

**Updated guidance on reportable situations**

On 27 April 2023, the Australian Securities and Investments Commission (ASIC) released updated guidance on making notifications under the reportable situation regime (formerly breach reporting). The guidance has incorporated feedback received through industry consultation and is designed to improve the effective implementation of the regime.

The updates to Regulatory Guide 78 Breach reporting by AFS licensees and credit licensees (RG 78) provide clarification to operational issues that have arisen since the regime's implementation in October 2021.

The updates to RG 78 include:

ASIC media release  
<https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-106mr-asic-releases-updated-guidance-for-licensees-on-reportable-situations/>

Overview of changes to RG 78  
[https://download.asic.gov.au/media/e0cpp2ho/rg78\\_overview-of-changes\\_published-27-april-2023.pdf](https://download.asic.gov.au/media/e0cpp2ho/rg78_overview-of-changes_published-27-april-2023.pdf)

- Clarifying the circumstances in which AFS licensees may group multiple reportable situations into one report.
- New guidance on the information to include when AFS licensees describe a reportable situation.
- New guidance on ASIC's expectations when AFS licensees are providing updates related to a reportable breach.

RG 78

<https://www.legislation.gov.au/Details/F2023L00510/Explanatory%20Statement/Text>

Minor changes to the prescribed form for lodging reportable situations (accessed using the Regulatory Portal) will also be implemented on 5 May 2023.

An overview of the changes announced has been provided by ASIC, which also includes items raised during industry discussions that ASIC has advised are still under consideration.

**Design and Distribution Obligations (DDO) adherence report released**

On 3 May 2023, the Australian Securities and Investments Commission (ASIC) released Report 762 Design and distribution obligations: Investment products (REP 762). REP 762 summarises ASIC's key observations on how investment product issuers are meeting their obligations and highlights areas for improvements.

The design and distribution obligations (DDO) commenced in October 2021 and are intended to help consumers obtain appropriate financial products by requiring issuers and distributors to have a consumer-centric approach to the design and distribution of their products. Since July 2022, interim stop orders have been placed on 26 investment products from 18 issuers and totalling \$6.6 billion in funds backed by retail investors.

Investment product issuers, including interests in managed investment schemes and shares issued by an investment company, were the initial focus of ASIC due to their concern that consumers risked being inappropriately exposed to high-risk products.

ASIC's review found that a significant number of product issuers made deficient target market determinations (TMDs), with poorly defined target markets and unclear or inadequate governance arrangements.

ASIC states that, 'our review found that there is considerable room for improvement'.

At a glance, the findings include the following:

- Defining a market too broadly – a factor in 15 stop orders.

ASIC media release  
<https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-115mr-asic-calls-on-investment-product-issuers-to-lift-their-game-on-design-and-distribution-obligations/>

Report 762  
<https://download.asic.gov.au/media/11bdpf5b/rep762-published-03-may-2023.pdf>

- Inappropriate risk profiles being used in the target market – a factor in 21 stop orders.
- Including inappropriate levels of portfolio allocation in a target market – a factor in 10 stop orders.
- Inappropriate intended investment timeframe and/or withdrawal needs in the target market – a factor in 18 stop orders.
- Inappropriate or no distribution conditions – a factor in 13 stop orders.
- Inappropriate use of a TMD template.

The design and distribution obligations will remain a key focus of ASIC with the continued monitoring of compliance and regulatory action to be taken for breaches of the obligations. ASIC encourage all investment product issuers to read REP 762, assess their practices, and address any gaps.

In coming months, ASIC intend to review how product issuers interact with their distributors to ensure they are not straying beyond their target market, and how they monitor product governance arrangements and review data to ensure retail investors are receiving suitable products on an ongoing basis.

### Interim stop order under DDO issued

On 31 May 2023, the Australian Securities and Investments Commission (ASIC) made its first interim stop order on a superannuation product under the design and distribution obligation (DDO) due to deficiencies in its target market determinations (TMDs).

ASIC considered that the target market in the TMD was defined too broadly and had not properly taken into account the risks of the product options. Its concerns included:

- the target returns for the investment options were too low to be consistent with investors in the target market, who were identified as seeking high returns;
- a mismatch between the investment risk profile of the investment options (very high) and the return profile identified for investors within the target market (high); and
- insufficient consideration of investment risk features associated with the investment options, including concentration, market and currency risks arising from the way the products are invested.

In addition, ASIC considered the distribution conditions in the TMD were not appropriate to ensure that the superannuation product would likely be distributed to individuals in the target market.

ASIC media release  
<https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-140mr-asic-halts-offer-of-spaceship-super-and-spaceship-voyager-funds/>

Similar issues were identified by ASIC in respect of the managed funds products also promoted, with ASIC stating the target markets were defined too broadly and had not properly considered the risks and features of the three funds. Differences were noted between the product disclosure statement (PDS) and the TMD. The TMD stated a potential investment timeframe of two years or more where the suggested minimum timeframe in the PDS is seven years. The target market included investors with a need to withdraw money daily when withdrawals would usually be paid within five business days and may be suspended or delayed for longer than 21 business days.

The interim stop orders prevent a client being issued an interest in, receiving a PDS for, or a retail client receiving financial product advice recommending an investment in the superannuation product or managed funds.

<p><b>AFS licence suspended due to non-lodgement of financial statements and audit reports</b></p>	<p>On 5 June 2023, the Australian Securities and Investments Commission (ASIC) announced that it had suspended the licence of an Australian financial services (AFS) licence holder and responsible entity of a managed investment scheme.</p> <p>The licence was suspended because of the failure to lodge financial statements and audited reports for the financial years 2019-2022 and the non-lodgement of compliance plan audits reports for the 2020 to 2022 financial years for the managed investment scheme it acted as the responsible entity for.</p> <p>The suspension applies until 29 May 2024.</p>	<p>Media release  <a href="https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-147mr-asic-suspends-afs-licence-of-lantern-re-ltd/">https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-147mr-asic-suspends-afs-licence-of-lantern-re-ltd/</a></p>
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<p><b>Enforcement and regulatory update: January to March 2023</b></p>	<p>In May 2023, the Australian Securities and Investments Commission (ASIC) released its quarterly update, Report 764 ASIC enforcement and regulatory update: January to March 2023 (Report 764).</p> <p>Report 764 demonstrates ASIC's ongoing commitment to enforcement to deliver on its priorities and sets out the key regulatory and enforcement actions taken between January and March 2023. These include both court-based and other enforcement actions focussed on actions:</p> <ul style="list-style-type: none"> <li>• To strengthen market integrity, including disclosure breaches, insider trading and market manipulation.</li> <li>• Acting against misconduct by filing court proceedings alleging misleading conduct in insurance pricing, unlicensed credit activity and Ponzi schemes.</li> </ul>	<p>Report 764  <a href="https://download.asic.gov.au/media/g5eje5aa/rep764-published-11-may-2023.pdf">https://download.asic.gov.au/media/g5eje5aa/rep764-published-11-may-2023.pdf</a></p>
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- Protecting consumers and investors, including enforcing the design and distribution obligations and actions against greenwashing.

Fostering industry compliance, including the report on the review on insurance in superannuation, along with the report into good practices for handling whistleblower disclosures.

### Focus areas for end of year reporting

On 6 June 2023, ASIC announced its focus areas for 30 June 2023 reporting, urging directors, financial report preparers and auditors to evaluate the impact of uncertain market and economic conditions on reporting for the period (ASIC 23-149MR).

ASIC highlighted several areas for attention, including:

- asset values
- provisions
- solvency and going concern assessments
- events occurring after year end and before completing the financial reporting
- disclosures in the financial report and the Operating and Financial Review
- the impact of a new accounting standard for insurers.

ASIC Commissioner Danielle Press stated, 'Directors should ensure that investors are properly informed on the impact of changing and uncertain economic and market conditions, 'net zero' targets and other developments on financial position and future performance. Impacts on asset values and provisions should be assessed, and uncertainties, key assumptions, business strategies and risks disclosed.'

ASIC has reiterated the presence of uncertainties and risks in the current landscape and emphasised the need for directors and management to assess how factors may impact the future performance, value, and business strategy of the entity. Directors should consider these uncertainties and risks when preparing annual and financial reports, ensuring that the assumptions made are both reasonable and supportable.

ASIC media release  
<https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-149mr-asic-highlights-focus-areas-for-30-june-2023-reporting/>

### Cyber pulse survey

On 13 June 2023, ASIC invited ASIC-regulated entities, including AFS licensees to take part in a survey to measure entities' current cyber security and controls, governance arrangements, and incident preparedness.

The voluntary survey has been designed to help an entity assess its ability to:

- govern and manage cyber risks

ASIC media release  
<https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-160mr-asic-invites-australian-entities-to-assess-their-cyber-resilience/>

Survey information

	<ul style="list-style-type: none"> <li>• identify and protect information assets that support critical business services</li> <li>• detect, respond to and recover from cyber incidents.</li> </ul> <p>The results of the survey will be published in late 2023. Participants can also elect to receive an individual report that provides them with insights into how they have assessed their current cyber resilience capabilities compared to those of industry peers.</p> <p>The survey is accessible via the ASIC Regulatory Portal and is expected to be open until 9 July 2023.</p>	<a href="https://asic.gov.au/cyberpulse">https://asic.gov.au/cyberpulse</a>
<p><b>Quarterly statement from the Council of Financial Regulators</b></p>	<p>On 14 June 2023, the Council of Financial Regulators (the Council) releases its statement from the meeting held on 8 June 2023. The main topics discussed included the lessons for Australian regulators following recent stresses in parts of the international banking system, the impact of high inflation and interest rates on households, businesses and the financial system, and the Reserve Bank of Australia (RBA) Review recommendations regarding the Council.</p> <p>The Council also welcomed the government's release of its inaugural strategic plan for payments, and the related consultations.</p> <p>AUSTRAC updated the Council on the government's proposed reform to the Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) regime. The Council discussed the importance of an effective AML/CTF regime that helps Australian businesses and financial markets combat money laundering, terrorism financing and other serious financial crimes.</p> <p>The Council discussed the increasing volume and sophistication of financial scams targeting Australians, especially investor-related scams. The Council welcomed the government's decision to establish the National Anti-Scam Centre to improve Australia's ability to detect, disrupt and deter scams and online frauds.</p> <p>The Council of Financial Regulators is the coordinating body for Australia's main financial regulatory agencies. There are four members: APRA, ASIC, the Australian Treasury and the RBA. It is a non-statutory body, without regulatory or policy decision-making powers.</p>	<p>Quarterly statement</p> <p><a href="https://www.cfr.gov.au/news/2023/mr-23-02.html?utm_source=banews&amp;utm_medium=email&amp;utm_campaign=cfr-jun-2023">https://www.cfr.gov.au/news/2023/mr-23-02.html?utm_source=banews&amp;utm_medium=email&amp;utm_campaign=cfr-jun-2023</a></p>





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