Chapter 1

Statutory oversight

1.1 The Parliamentary Joint Committee on Corporations and Financial Services was established by the *Australian Securities and Investments Commission Act 2001* (the ASIC Act). Section 243 of the ASIC Act specifies the committee's duties, which include:

> (a) to inquire into, and to report to both Houses on:
>
> > (i) the activities of the Australian Securities and Investments Commission (ASIC)… or matters connected with such activities, to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed…

1.2 This report is presented in execution of the committee's duty under paragraph 234(a)(i).

1.3 As the corporate, markets and financial services regulator, ASIC is responsible for monitoring the integrity of Australia's financial system. Areas within the Commission's remit include promoting financial literacy and consumer education; corporate, financial services and consumer credit regulation; and the supervision of trading on Australia's licensed equity derivatives and futures market.

1.4 In enquiring into ASIC's activities, the committee seeks to determine whether ASIC is fulfilling its statutory responsibilities. In considering ASIC's performance, the committee has regard to section 1 of the ASIC Act, which directs ASIC to:

- maintain, facilitate and improve the performance of the financial system and entities within that system in the interests of commercial certainty, reducing business costs, and the efficiency and development of the economy;
- promote the confident and informed participation of investors and consumers in the financial system;
- administer the laws that confer functions and powers on it effectively and with a minimum of procedural requirements;
- receive, process and store, efficiently and quickly, information given to ASIC under the laws that confer functions and powers on it;
- ensure that information is available as soon as practicable for access by the public; and
- take whatever action it can take, and is necessary, in order to enforce and give effect to the laws of the Commonwealth that confer functions and powers on it.

Gathering evidence

1.5 The committee held a public hearing on 22 June 2012. The committee acknowledges ASIC's ongoing co-operation.

1.6 This report reflects evidence taken at the hearing. Witnesses who gave evidence are listed in Appendix 1. Copies of the Hansard transcript of the hearing have been tabled for the information of the Parliament, and are available on the committee's website.[1]

Additional information

1.7 Several questions were placed on notice. Those questions, and responses to them, are published in Appendix 2.

1 http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id:%22committees/commjnt/7203c0c6-f5c6-4153-8681-84b0a92cda30/0000%22