

QUESTION ON NOTICE

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**Question:**

12QW

Regulation of foreign financial services providers (FFSPs)

Written

On 5 June KPMG stated: 'In our view, the proposal represents a clear departure from ASIC's historical approach to the regulation of FFSPs, which to date has prioritised the facilitation of cross-border investment and liquidity into Australian wholesale markets.' Has ASIC previously prioritised foreign FFSPs?

**Answer:**

No. Facilitation of cross-border investment and liquidity into Australian wholesale markets was one of the original aims of the relief ASIC provided to FFSPs and remains an important factor in ASIC's proposals to regulate FFSPs in CP 301. Our proposals are aimed at providing ASIC with access to effective regulatory tools to adequately supervise the activities of FFSPs in the Australian market. We are still proposing to give some recognition to FFSPs that are complying with the relevant foreign regulation by implementing a modified foreign AFS licensing regime for these FFSPs.