

QUESTION ON NOTICE

Question:

14QW

Registration of foreign companies

Written

Is ASIC currently consulting on tightening up procedures for the registration of foreign financial companies to obtain Australian Financial Service Licences?

- a. How does ASIC respond to local business criticisms that it is currently easier for foreign financial companies to get Australian Financial Services Licence in Australia than for an Australian financial company?

Answer:

No, ASIC is not currently consulting on tightening up procedures for the registration of foreign financial companies to obtain an Australian financial service licence. Our current Consultation Paper 301 *Foreign financial service providers* contains proposals to require the licensing of foreign entities that currently are exempt from holding an Australian Financial Services licence.

- a. ASIC does not consider that it is currently easier for foreign financial companies to get an Australian financial Service licence in Australia. ASIC must apply the same test in granting a licence under s913B of the Corporations Act, whether the applicant is a foreign company or an Australian company. In considering a licence application ASIC may take into account the overseas arrangements that a foreign company has in place, such as supervision arrangements in assessing a licence application.