



ASIC
Australian Securities &
Investments Commission

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and Investments Commission**

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Mr Craig Kelly MP
Chair
Parliamentary Joint Committee on Law
Enforcement
PO Box 6100
Parliament House
Canberra ACT 2600

By email: le.committee@aph.gov.au

18 December 2020

Dear Mr Kelly

Inquiry into criminal activity and law enforcement during the COVID-19 pandemic

ASIC provides the following information to the Parliamentary Joint Committee on Law Enforcement Inquiry by way of clarification of its evidence to the Inquiry to date.

ASIC refers to its [original submission](#) to the Inquiry dated 30 July 2020, and to the evidence of ASIC's former Deputy Chair, Mr Daniel Crennan QC, to the Inquiry on 28 August 2020.

ASIC's written submission referred, at paragraph 9, to ASIC's view that "*the impact of COVID-19 has created difficult economic conditions for some companies and is likely to have provided opportunities for untrustworthy advisors to promote and facilitate illegal phoenix activity.*"

At page 30 of the [Hansard](#) from the 28 August public hearing, Mr Crennan was asked whether ASIC had seen an increase in phoenix activity during the COVID-19 period, to which Mr Crennan answered "*Yes, it has increased.*"

At page 34 of the Hansard, in answer to a question about a potential increase in prosecutions arising out of COVID-19, Mr Crennan stated that if ASIC's prediction in paragraph 9 above proves to be "*a correct prediction, ..., there will no doubt be an increase in prosecutions that relate to illegal phoenix activity, and possibly in combination with the other criminal activity.*"

ASIC has conducted a review of the information in its possession, and there is no evidence at this time that there has been an increase in illegal phoenix activity during the COVID-19 period. ASIC predicts that the impact of COVID-

19 is likely to have provided, and continues to provide, opportunities for untrustworthy advisors to promote and facilitate illegal phoenix activity.

Yours sincerely

Sean Hughes
Commissioner