

**Parliamentary Joint Committee on Corporations and Financial Services**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

**Topic:** Question on Notice following the ASIC 2015-16 Annual Report  
**Reference:** Written

**Question:**

ASIC informed the committee on 17 January 2017 that it has advised the Australian Government of the desirability of law reform that would allow authorised unlicensed markets to become licenced financial markets subject to more detailed regulatory oversight by ASIC.

Would you please inform the committee of the action taken by the government following ASIC's advice on this matter?

**Answer:**

The *Corporations Amendment (Crowd-sourced Funding) Act 2017* (the Act) received Royal Assent on 28 March 2017. The Act amends and adds new exemption powers in relation to the regulation of financial markets and clearing and settlement facilities.

Prior to the Act, the Minister's exemption powers were limited to only providing *full* exemption from the appropriate licensing regimes. Since the enactment of the Act, the powers now allow for the Minister to provide for any *partial or full exemptions* from: requirements under the financial markets and clearing and settlement facilities licensing regime; obligations relating to ASIC's supervision of financial markets; and compensation arrangement requirements for financial markets (sections 791C, 893B, 820C and 798M of the *Corporations Act 2001*).

On 10 April 2017, the Minister for Revenue and Financial Services issued an amended delegation and guideline for the exercise of powers by ASIC in relation to the revised exemption powers (see: <http://www.treasury.gov.au/PublicationsAndMedia/Publications/2017/Guidelines-for-the-exercise-of-powers-delegated-to-ASIC>).

The amended exemption powers, together with the delegations, will provide for flexibility for a more streamlined regulatory approach for ASIC to enable particular markets to be licensed, yet still facilitate the development of other emerging or specialised markets as they would be subjected to a tailored regulatory regime to best address their activities.