

Parliamentary Joint Committee on Corporations and Financial Services
Australian Securities and Investments Commission
Public hearing: Wednesday, 18 November 2020
Answers to Questions on Notice

Question No: 004
Reference: 65
Committee Member: Senator Paterson

Questions:

CHAIR: I have two issues that I want to cover quickly in the time we have remaining. The first relates to an article in the *Financial Review* dated yesterday. Ms Press, I think this will be an issue for you, but correct me if I am wrong. It's on the question of insider trading by super trustees and executives, and the article speculates that ASIC might be conducting investigations into that. It's been initiated by some questions by the House Economics Committee chair, Mr Wilson. Is it correct that ASIC is conducting investigations into this matter?

Ms Press: We are reviewing some further information. Yes, that is correct.

CHAIR: What are the potential violations that you are considering?

Ms Press: There are a number of things that we are looking at, and we are working on this with APRA as well, because there are conflicts and there are also trustee duty issues potentially involved here, and it will depend on who has the best tools—well, firstly, whether there has been a breach and then, secondly, who has the best tools to pursue those. It is an area that is probably more squarely in APRA's space, but there are some tools and leaders that we may be looking at as well. We really just need to look at what circumstances are and to see what, if any, breaches have occurred.

CHAIR: What information have you sought and from whom have you sought it?

Ms Press: I would have to take that one on notice on the specific information on where we have sought information and what we have sought. We don't normally comment on investigations that are ongoing.

CHAIR: What's the expected time line?

Ms Press: It can take a significant amount of time because they are very complex. Again, if I can come back to you with that, it would be appreciated.

CHAIR: Okay. We'd appreciate whatever you can provide on notice. In conclusion, Ms Chester, I wanted to welcome the observation you made in your speech today, and which you've repeated to the committee a number of times today—that is, that the era of ASIC campaigning

Answers:

As stated by Commissioner Press, ASIC does not ordinarily comment on the specifics of current investigations.

Before ASIC exercises its compulsory information gathering powers we generally seek to understand information already available to us. We have been examining publicly available information, including the written answers provided by superannuation funds to the House of Representatives Economics Committee (**Committee**) concerning switching activity by trustees and senior executives following unlisted asset revaluations, and the funds' conflict management policies. The information provided by funds to the Committee is helping inform ASIC's further investigations.

ASIC has also obtained intelligence from APRA under information sharing arrangements.

Our work is at a preliminary, information gathering stage and it is therefore not possible for us to comment on the likely timeline of our work. Generally, for a case relating to a breach of trustee duties, it would take 9 months, from the date a formal enforcement investigation begins, to commence an action for civil or criminal proceedings.