

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the FOREIGN INVESTMENT PROPOSALS

2019 - 2020

Division: Foreign Investment Division
Topic: Enhancements to Compliance Capability
Reference: Written

Question:

The 2018–19 regulator performance framework report states Treasury has been enhancing compliance capability.

- a) Why has Treasury identified a need to enhance compliance capability?
- b) What areas of compliance capability are being enhanced?
- c) What measures has Treasury introduced as part of its ‘implementation of strengthened compliance assurance’?

Answer:

(a)

To respond to the increased use of conditions resulting from the evolving investment and regulatory environment.

(b)

Compliance activities are being strengthened, including:

- compliance assurance;
- enforcement – undertaking enforcement activities under the legislative provisions (if circumstances warrant);
- stakeholder engagement; and
- market intelligence.

(c)

Compliance with conditions has been a key focus (compliance assurance) (please refer to IQ20-000049 and IQ20-000050). Using the areas outlined above in response to question (b), other measures have included:

- compliance assurance – the audit program described in IQ20-000050; the activities described in IQ20-000049;
- stakeholder engagement – educating foreign investors and their advisers on compliance obligations, for example through the publication of guidance, and through engagement with investors’ advisers (including peak bodies such as the Law Council); and
- market intelligence - using data and information to better understand and address non-compliance.