

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2015 - 2016

Department/Agency: ASIC
Question: AET 3707-3714
Topic: Crowd Sourced Equity Funding
Reference: written - 19 February 2016
Senator: Wong, Penny

Question:

The 2015-16 Budget provided a \$7.8m allocation over four years for ASIC to implement and monitor a regulatory framework to facilitate equity crowdfunding, including simplified reporting and disclosure requirements. Can you advise:

3707. How has the \$1.2m allocation been used for 2015-16?

3708. How many officers of ASIC have been assigned to devising the regulatory framework?

3709. Have any outside consultants been used to assist ASIC?

- a. If so, who were they and what was the cost for retaining these consultants?
- b. Do they have an ongoing role for this function?

3710. An average of \$1.7m has been allocated to ASIC for three years from 2016-17 in relation to managing the new equity crowdfunding framework - is this all the money set aside for regulatory oversight of the new equity crowdfunding system over this time?

3711. Will ASIC be supplementing further funds from its existing budget to manage regulatory oversight of equity crowdfunding in Australia?

3712. How many people will be tasked with ongoing equity crowdfunding oversight from the moment the bill receives Royal Assent?

3713. Which division of ASIC will retain day-to-day oversight over equity crowdfunding within ASIC?

3714. Did ASIC call for an amount of money for regulatory oversight that is different to the amount detailed in the Budget papers?

Answer:

3707

The \$1.2m funding for this year will be spent on preparatory implementation work and developing infrastructure change requirements. Some work which was expected to be undertaken this year has been delayed by the delay in the bill receiving Royal Assent. ASIC has managed this by bringing forward other work initially planned for next year.

3708

As at 19 February, 6 staff have been working on the crowdfunding project. ASIC expects around 10 FTE to be assigned to the project during implementation

3709

No outside consultants have been used to 19 February 2016. IT contractors have been assigned to the project.

a. N/A

b. N/A

3710

Yes

3711

At this stage, ASIC has not made a decision to allocate additional budget to support the crowdfunding regulatory framework.

3712

ASIC expects that the ongoing support of the crowdfunding regulatory framework will equate to 9.3 FTE staff (as well as partial FTE in support teams including Finance, People & Development etc), however not all of these staff will be required from the moment the bill receives Royal Assent. Other FTE will be required before and after the bill receives Royal Assent to establish the regulatory framework, make necessary ITC infrastructure changes, be involved in consultation etc.

3713

Day to day oversight of the crowdfunding regulatory framework will be shared between the Investors and Financial Consumers cluster and the Markets cluster. The Investment Managers and Superannuation team (Investors and Financial Consumers cluster)will have ownership of the project while the regulatory framework is being implemented.

7314

ASIC agreed funding of \$7.8 million over four years to implement and monitor the crowd-sourced funding framework, as detailed in the Budget papers.