

ASIC Enforcement Review
Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600

4 October 2017

By email: ASICenforcementreview@treasury.gov.au

Dear Sir / Madam

ASIC'S POWER TO BAN SENIOR OFFICIALS IN THE FINANCIAL SECTOR

The Australian Finance Industry Association (AFIA) welcomes the opportunity to comment on Treasury's Consultation Paper *ASIC's Power to Ban Senior Officials in the Financial Sector*.

AFIA is uniquely placed to advocate for the finance sector given our broad and diverse membership of over 100 financiers operating in the consumer and commercial markets. More detail on our Association is available: www.afia.asn.au.

In principle, AFIA supports the view expressed in the Consultation Paper that financial system regulators, such as ASIC, should have appropriate powers to remove individuals whose actions have been contrary to the public interest and prevent their continued involvement in the sector. This position also aligns with the recommendation in the Financial System Inquiry Report which noted that enhanced regulator enforcement powers would have the flow through benefit of improved accountability of managers and corporate culture. This outcome also supports efforts and resource allocation by market participants, including our members, to put in place compliant processes with the overall benefit of a financial system that services and promotes confidence and trust for consumers.

AFIA looks forward to the opportunity to comment on draft legislation to implement the Government's policy position. We note the challenge with ensuring concepts like 'serious misconduct' are defined in a way that appropriately targets the inappropriate behaviour warranting ASIC to exercise its power to ban. Legislation drafted to reflect the underlying policy operates to achieve the Government's objectives of addressing shortcomings while preventing unintended adverse impacts on the financial sector. We also note the importance of a period of consultation to enable a considered position informed by member feedback to be put by AFIA and other key stakeholders to assist the Government achieve this.

AFIA looks forward to continuing to work with the Government on and other important reforms to our industry. If you have any questions regarding this submission please contact Alex Thrift, Economic & Policy Senior Adviser at alex@afia.asn.au or via 02 9231 5877.

Kind regards



Helen Gordon
Chief Executive Officer