



**AUSTRALIAN BANKERS'
ASSOCIATION INC.**

Strong banks – strong Australia

ABA response to Proposed Industry Funding Model for the Australian Securities and Investments Commission

Consultation Paper

09 October 2015





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Strong banks – strong Australia

1. Preamble

The Australian Bankers' Association (**ABA**) is pleased to provide comments on the Consultation Paper *Proposed Industry Funding Model for the Australian Securities and Investments Commission (the paper)*.

With the active participation of its members, the ABA provides analysis, advice and advocacy for the banking industry and contributes to the development of public policy on banking and other financial services. The ABA works with Government, regulators and other stakeholders to improve public awareness and understanding of the industry's contribution to the economy and to ensure Australia's banking customers continue to benefit from a stable, competitive and accessible banking industry.

2. Introduction

The paper is a response to the Government's Financial System Inquiry (**FSI**) Recommendation 29 - Strengthening the Australian Securities and Investments Commission's (**ASIC**) funding and powers.

The paper recommends that ASIC should recover a greater share - indeed, most - of the cost of its regulatory activities directly from industry participants through fees and levies calibrated to reflect the cost of regulating different industry sectors. This would build on the existing partial recovery of ASIC's costs through the financial institutions supervisory levies, application fees, and fees for market supervision.

The paper poses 64 questions that could be addressed in this consultation. Before addressing those questions the ABA believes there are some higher level issues that must be canvassed to assist in setting the context for this proposed change.

In the FSI Final Report the benefits of industry funding were laid out as follows:

- Its potential to give ASIC more predictable funding;
- Strengthen engagement between ASIC and industry on the costs of market conduct and regulation;
- Create a close relationship between the incidence of fees and levies and the cost of regulating the relevant activity; and
- Attribute cost fairly across different firms and industries.

These objectives were developed further in the paper to be:

- Ensure that costs are proportionately borne by those creating the need for regulation;
- Establish price signals to drive economic efficiencies in the way resources are allocated within ASIC; and
- Improve transparency and accountability.

The appropriateness of the model proposed in the paper depends on how well it fulfils these policy objectives. In general the banking industry believes that the proposed model is sound but there are areas where the approach could be clarified and refined. These comments are made in the spirit of improving the proposed model.

3. General Comments

ASIC's Activities

An important consideration is the interaction between the proposed industry funding model and the ASIC Capability Review. It would seem appropriate for the capability review to be completed prior to the finalisation of the industry funding model. This will clarify ASIC's current role and critically outline what the priorities should be for ASIC in the future. The parameters for ASIC's future responsibilities,



accountabilities and activities should be clearly agreed and established. There would ideally be clear allocation of funding to each ASIC activity to ensure transparency for stakeholders on where the money goes.

A key aspect of this is to establish clear Key Performance Indicators (**KPIs**) for ASIC so that ASIC and the stakeholders providing the funding can be reassured that ASIC is meeting its statutory objectives in a cost efficient and effective manner. These KPIs could include efficiency and productivity measures. Benchmarking against overseas peers might provide a useful yardstick. Decisions about funding going forward should take into account ASIC's performance against its KPIs so that funding is transparently tied to performance. This would ensure that the funding is made to count.

Proposed Industry Funding Model

Levies on businesses should ideally be consistent with the level and intensity of ASIC's regulatory activity and risk. There is concern that some elements of the proposals are more based on capacity to pay. These include the proposals in the paper for annual supervisory levies to be determined on the basis of market capitalisation (page 34 of the paper) and for levies on credit licensees to be based on credit volume (page 38 of the paper).

Further work to identify the true drivers of risk, including strategic and emerging risks, as the basis for levying fees would improve the efficacy of the model. Given that it is proposed to review the methodology of the model only every 5 years, this work on the drivers of risk should ideally be done before the commencement of the new arrangements. The industry acknowledges the difficulty and complexity of the task and would welcome industry participation.

As a more general observation the industry acknowledges that the ASIC industry funding model will be bound by the Australian Government Cost Recovery Guidelines and that under these guidelines the model should be designed to collect no more than necessary.

The industry supports the need for an appropriate governance framework, in particular with Parliament, rather than regulators, having the power to determine regulator spending envelopes and funding arrangements. On this point there is merit in the accountability framework outlined through pages 23 to 26, with continued oversight by the Government of the funding envelope and fees, complemented by stakeholder input. One improvement would be the creation of a separate ASIC Board to which the ASIC Executive Team reports. This would accord with generally accepted good governance principles. The Australian Prudential Regulation Authority (**APRA**) and the Reserve Bank of Australia (**RBA**) have governing Boards separate to the senior executive team.

The banking industry welcomes the provision for stakeholder input into the setting of levies and fees. With that will come greater scrutiny of "value for money" and a greater emphasis on accountability and transparency.

Determining ASIC's Annual Funding and Levies

Consideration should be given to allowance in the levies and fees for regulatory efficiencies achieved in regulating corporate groups. While a group may have multiple entities and licenses, the regulatory effort may not be strictly additive as there may be some common operational and organisational parameters. The banking industry is not in full agreement with the views expressed in the paper on page 18 that:

"there is no discount for entities that operate across a range of sectors or subsectors because ASIC's supervisory teams focus on the specific activities of regulated entities, rather than the entity in its entirety. Therefore, there are no efficiencies of scope for ASIC in regulating more complex entities."

There should also ideally be a mechanism for ASIC to advise industry participants on how their funding level compares with close industry peers. Confidentiality prevents identification by name, but an anonymous ranking would be helpful.

Confidence in the industry funding model would be enhanced if there was greater transparency around ASIC's costs. This should be straightforward for "fee for service" arrangements, and would form an



appropriate basis for service level agreements. Greater transparency of the costs and priorities which drive levies would also promote support for the funding model.

A final general comment is that the industry funding model has a high degree of complexity. It may well be that a degree of complexity is required to better take account of risk, but this needs to be balanced against the time and resources needed for firms to determine their financial liability. It also should ideally take into account the Government's stated intention of reducing red tape and regulatory burden on business. One solution would be for ASIC to present each stakeholder with its estimated bill and the basis for the calculation, for verification by the stakeholder. This should be done each year if the industry funding proposal proceeds.

An ASIC representative confirmed during an industry roundtable that firms would not be required to self-assess their levy liability under the funding model but, rather, ASIC would be responsible for issuing individual invoices. It was further stated that ASIC currently has the vast majority of information required to assess the levies, and that industry would not be called on to provide additional reporting. The industry requests that these points be formally confirmed as it is concerned that an industry funding model could require the creation of costly internal compliance processes.

4. Consultation Questions

Chapter 2: ASIC's Activities

The paper proposes excluding the following activities from cost recovery:

- *The operation of, and funding to support, the Enforcement Special Account (ESA), which operates to support high-cost litigation activities undertaken by ASIC;*
- *The administration of the Government's Unclaimed Moneys programmes, under which companies and financial institutions are required to remit unclaimed bank account, life insurance and company moneys to ASIC after a certain period of inactivity and ASIC must return them to their rightful owners when required;*
- *Financial literacy programmes to educate investors and consumers on financial matters;*
- *The operation and maintenance of an insurance aggregator for North Queensland residential property owners; and*
- *The administration of the Assetless Administration Fund, which is used to finance preliminary investigations and reports by liquidators into the failure of companies with few or no assets where ASIC considers that enforcement action may result from the investigation.*

1) Do you agree that the exclusion of these activities from cost recovery is appropriate? If not, why not?

Industry is broadly in agreement that the exclusion of these activities is appropriate.

2) Are there any other specific regulatory activities undertaken by ASIC, such as those that support innovation that should not be cost recovered from industry? If so, please provide examples.

Industry has not identified any other activities that should not be cost recovered.

3) Do you support cost recovery arrangements for ASIC's regulatory activities being consolidated within a single ASIC industry funding model? If not, why not?

If an industry funding model is to be introduced then it is appropriate that it be consolidated. This would assist the transparency of the costs recovered and the total quantum of industry funding.



- 4) **Are there any activities cost recovered by other agencies on ASIC's behalf that should continue to be recovered by the current responsible agency? If so, please give reasons why.**

The industry has no comment on this.

- 5) **The Government currently recovers most of the costs of operating the MoneySmart website through APRA's supervisory levies. Should these costs no longer be recovered from industry? Why or why not?**

The MoneySmart initiative benefits both the financial industry and the wider community so there is a case for shared industry and government funding.

- 6) **Do you support the Superannuation Complaints Tribunal (SCT) continuing to be funded through APRA's levies on APRA-regulated superannuation funds? Why or why not?**

The industry has no comment on this.

- 7) **If the Government decided to introduce an industry funding model for ASIC, would you support not proceeding with the planned 2016 review of ASIC's market supervision and competition cost recovery arrangements? Why or why not?**

There are differing views between ABA members on this. There is an argument for proceeding with the 2016 review to gain better clarity on costs today as an input to determining cost revisions under industry funding. The alternative view is that the ASIC capability review and strategic plan provide the necessary transparency and clarity of ASIC's focus, priorities, resourcing needs and strategy. There is also the issue of who would pay for the 2016 review if it was to proceed, specifically would there be a doubling up of costs on stakeholders.

Chapter 3: International funding models

- 8) **Are there any approaches to industry funding adopted by regulators in other countries that you believe should be applied to an industry funding model for ASIC? If so, please describe and provide reasons why.**

While there are no specific recommendations, there is a general point that it is important to learn from international experience. In the case of the equivalent model in the UK, we understand that the industry funding fees have gone up every year. For example, the 2015/16 annual funding requirement of the FCA is about £481.6 million, an increase of £35.2 million (7.9 per cent) from 2014/15. This demonstrates the importance of having strong transparency and accountability in the annual budgetary and apportionment process.

Chapter 4: The proposed industry funding model

The paper proposes that the industry funding model would comprise annual supervisory levies that reflect the portion of ASIC's activities dedicated to each of its regulated sectors; and fee-for-service that reflect ASIC's actual costs in providing specific on-demand services to individual entities.

- 9) **Is the proposed methodology for determining the levy mechanisms appropriate? If not, why not?**

In principle we agree with the apportionment of industry costs according to regulatory intensity, but there is concern that using size as the proxy for regulatory intensity to set the annual levy fails to achieve this objective. There are two issues.

First, it is not clear that regulatory intensity is always or only a function of size. It could be argued that the largest institutions are the most highly regulated and have the highest investment in operational frameworks, controls, processes and so on. The compilation of empirical data on the characteristics of companies mapped against regulatory effort in the past would be useful input into this issue.



Further on this, while Step 1 of ASIC's proposed mechanism for determining annual levies identifies risks at the sector level, there is no mechanism proposed for identifying risks between entities in the same sector. This is significant because entities with robust compliance/oversight infrastructure and with a good track record of compliance may generate less need for ASIC regulation. A funding model that identifies risks between entities is more likely to support the policy objective of providing price signals to regulated entities that motivates them to conduct their activities in a way that reduces the call on ASIC's regulatory functions over time. It will also support the general principle that in a cost recovery model, cross subsidies ought to be avoided as much as possible.

Second, the model does not provide any concession or acknowledgement of regulatory efficiencies and economies of scale from regulating entities within the same corporate group. It does not seem likely that a stand-alone entity requires the same regulatory intensity as an entity that has the backing, and shared compliance and regulatory investment, of an entity that exists in a large conglomerate. Consideration should be given to allowing a discount or concession for conglomerates.

10) Are there any activities proposed to be recovered through fees that you believe should be collected through annual levies? If so, which activity or activities and why?

The paper makes a clear distinction in purpose between fees for service that are charged to recover costs for on-demand services, and annual levies that reflect the portion of activities dedicated to each regulated sector. On this basis the costs arising from any activity which requires annual input, and is mandatory and thus not on demand, would be appropriate to recover through annual levies.

11) Is the proposed approach for calculating fees-for-service appropriate? If not, why not?

Assessment of the appropriateness of fee for service requires greater information on the costs of providing services and how and why these costs have changed through time.

12) Do you have any suggestions for how the proposed methodology for calculating fees-for-service could be modified? If so, please provide details.

The industry has no comment on this.

Chapter 5: Determining ASIC's annual funding and levies

It is proposed the Government would continue to determine ASIC's total funding through the annual budget process. In September each year (from 2016), stakeholders would have the opportunity to comment on whether funding levels are appropriate, the Government will consult on the proposed levy mechanisms for the next financial year, and ASIC will explain how it intends to respond to emerging or changing strategic and organisational priorities in the coming financial year.

If an industry funding model is adopted, the Government would establish an ASIC Cost Recovery Stakeholder Panel.

13) Do you support the proposed process for determining funding for ASIC's regulatory activities under an industry funding model for ASIC? If not, why not?

In principle the proposed process appears reasonable. Continued Government oversight is essential and the provision for stakeholder input is welcome.

However, to be effective, stakeholder input requires industry participants having the necessary detail to assess the funding envelope and the appropriateness of levies and fees. Provision of the necessary information from ASIC should be formalised in the model. There should also be a clear, formal process for resolving issues, where for example industry stakeholders have a different view to ASIC.



14) Do you think this process will provide industry with certainty as to the fees and levies to be charged? If not, why not?

Subject to the points noted in 13, the process will provide industry with reasonable transparency on fees and levies to be charged. However, there also needs to be consideration of how the industry funding model incorporates other kinds of potential cost imposts for industry, e.g. ASIC investigation costs.

In the Industry Roundtable with Treasury and ASIC, a representative of ASIC indicated that investigative costs and expenses recouped under s.91 of the ASIC Act will be effectively subtracted from what would have been the following year's enforcement budget. There is further detail to be worked out on this issue, including how the payment of investigative costs by an individual firm is reflected in the levies for that and other firms in the following year. The ABA would appreciate confirmation of that in the final terms of the industry funding model.

A further point is that there needs to be an acknowledgement from ASIC that businesses also have budgets and that prospective fees and levies imposed by ASIC have to be incorporated into these budgets. Stability in fees and levies is important, as is adequate notification of increases. Notification of a minimum of a year in advance would allow for internal planning and budgeting by businesses.

15) Are the proposed consultation arrangements on the levy mechanisms and funding appropriate?

Consultation with industry stakeholders is critical. There needs to be a strong commitment from ASIC and Government concerning the provision of information on ASIC's costs and the methodology for determining levies and fees. This is essential to facilitate effective stakeholder engagement.

The industry funding model must be integrated with the outcomes of the current capability review and must be linked to performance benchmarks arising from that review. This will support accountability and transparency of funding and performance.

16) Do you support ASIC's fees-for-service being revised every three years? Alternatively, would you prefer that ASIC's fees-for-service be revised more regularly?

We support the fees-for-service being revised every three years; however, we believe that, should ASIC's costs for providing these services reduce materially, it should be obligated to consider revising the fees more regularly (in other words, the three years is effectively a cap rather than a floor).

17) Do you have any further suggestions for enhancements to be made to ASIC's accountability structure or industry funding model? If so, please provide details.

The ABA has made a separate submission to the Capability Review.

In the initial years it would be useful to have annual feedback on service levels as part of an overall assessment of how well industry funding is working. This would assist accountability and transparency.

18) How should the Cost Recovery Stakeholder Panel operate? How should the membership be determined?

The Cost Recovery Stakeholder Panel should be a robust, well-governed and appropriately constituted forum. Its mission should be to ensure that the operation of the industry funding model supports the underlying policy objectives as reprised in the introduction to this submission.

To achieve this mission, we believe that the Cost Recovery Stakeholder Panel should:

- Be constituted as a permanent body, not just for the introduction of the funding model;



- Membership should be a function of the total amount of levies and fees to be paid. Large corporate groups could have a seat; smaller institutions could be represented through group revolving seats. It would be important to have representation from all key industries;
- Have an independent chair, appointed by Government (independent being a chair that does not have a position of influence or substantial relationship with an entity that has a direct interest in the funding model);
- ASIC should have to specifically document and demonstrate the way in which it has considered the views of the Panel in reaching budgetary and apportionment outcomes;
- There should be a commitment from ASIC that the panel will be furnished with necessary information to effectively exercise its responsibility; and
- The Panel should meet annually with the Assistant Treasurer or other relevant government minister's to report its views on the status of the industry funding model.

Chapter 6: Phase-in arrangements and levy administration

The Government would phase-in any levies over three years. Fees would not be phased in. ASIC would administer all fees and levies.

19) Are the proposed arrangements for phasing in cost recovery levies appropriate? If not, what alternative approach would you suggest and why?

Were the concept of industry funding to be adopted by other regulators there would need to be consistency in the approach to phasing in the new arrangements.

20) Is it appropriate to set fees to recover ASIC's costs from 1 July 2016? Why or why not?

The industry funding model remains at the proposal stage. Once a decision is made, stakeholders will need adequate time to plan for the increased financial impost. A minimum of 12-month's notice from the time a decision to proceed is made, would be appropriate.

21) Are the proposed administration arrangements suitable? If not, why not?

Further clarification of levy invoicing arrangements would be useful. It seems that it is proposed that invoicing will be on a per entity basis, which would be consistent with current arrangements. There may be long term advantages to single itemised invoicing for groups, but this would likely require changes to invoicing and payment procedures across some diverse groups. Appropriate transitional arrangements would be required.

22) Is it appropriate not to levy entities entering the market part way through the year? If not, how do you propose that these entities be treated?

A pro rata arrangement would be appropriate for entities entering part way through a year. This would ensure that all regulated entities were paying their way for ASIC oversight and services. This would require adjustments to the following year's levies to reflect the additional levies received during the previous year and the fact that the population of regulated entities has increased.

23) Is it appropriate for the Government to handle the over or under collection of levies through a reduction or increase in the levies payable for the next year? If not, why not?

Generally the industry is comfortable with this. However, there needs to be accountability for unders and overs. For example, if ASIC fails to meet an efficiency benchmark and therefore has spent more time/effort on a regulatory activity than budgeted, leading to an overspend, it should not be entitled to automatically collect the shortfall from industry the following year. The ability to do so could incentivise the wrong behaviours.



Further, any overpayment should be clearly articulated and held ‘separately’ from ASIC’s budget in the following year, to ensure that the formation of the subsequent year’s budget does not take into account that overpayment.

24) Are additional arrangements necessary to ensure appropriate administration by ASIC of its industry funding model? If so, please provide details.

A review and improvement of ASIC’s accounts payable process is vital for a more enhanced fee and levy model to work efficiently.

Attachment A – Funding Model for Companies

The proposed levies payable by publicly listed, disclosing companies will be based on their market capitalisation, as at 30 June of the prior financial year. The final levies will be based on their market capitalisation as at 30 June of the current financial year.

25) Are the proposed arrangements for company levies appropriate? Why or why not?

The proposed arrangements could be enhanced by taking into account the different risk profiles between firms in a sector.

It is unclear whether the current Annual Review Fee is to be abolished and replaced by the levy for companies. In addition, Annual Review Fees are linked to the annual solvency resolution process under section 347A of the Corporations Act and it is not clear whether there will be any changes to that process. Two issues relating to this are:

- Will companies continue to pay an annual review fee (timing dependent on their “review date”) as well as a separately invoiced levy in January? If so, each company will be required to process and pay two separate invoices to ASIC each year.
- As a consequence of the introduction of an annual levy payable in January, will there be any changes to the timing requirements for companies to pass an annual solvency resolution? Currently, companies must pass an annual solvency resolution and pay their annual review within two months of their review date. Any change to the timing requirements for companies to pass an annual solvency resolution may present a significant implementation task, as review dates are generally aligned to facilitate coordinated and efficient year end reporting.

26) Will the proposed levy arrangements for companies be competitively neutral? If not, why not?

Based on the calculation, it appears that the levy provides for competitive neutrality.

27) Will the proposed levy arrangements for companies support innovation? If not, why not?

This cannot be determined. It is to be hoped that industry funding will improve ASIC’s delivery of service through, for example, its website delivery of service, accounts payable systems and so on.

28) Will the proposed levy arrangements for companies support small business? If not, why not?

The industry has no comment on this.

29) Do you have any concerns with 31 March being used as the assessment date for determining market capitalisation? If so, why and what date would you prefer?

Many businesses do not run on an end-of-year basis to the end of March. Predominantly the financial year ends in June. Setting an assessment date for 9 months after the closing of accounts does not seem well based. An assessment date three months after the closing of accounts as at 30 September seems more appropriate.



Attachment B – Funding Model for Australian Credit Licensees

In 2016-17, the Government proposes to recover around \$24 million through levies on Australian credit Licensees.

30) Do you support the proposed arrangements for Australian Credit Licensees ‘levies’? Why or why not?

Basing this levy on credit volumes may not best link payments to risk.

The proposed arrangements could be enhanced by taking into account the different risk profiles of Australian Credit Licensees within a sector.

31) Will the proposed levy arrangements for Credit Licensees be competitively neutral? If not, why not?

It is not clear if the funding model is consistent with pricing for risk. Also there may need to be additional scales as there are significant jumps or cost escalations in the proposed arrangements.

32) Will the proposed tiering arrangements support the growth of Credit Licensees? Why or why not?

Lower fees for smaller players should support the entry of smaller players.

33) Will the proposed levy arrangements for Credit Licensees support innovation? If not, why not?

The industry has no comment on this.

34) Will the proposed levy arrangements for Credit Licensees support small business? If not, why not?

Response is the same as for question 31.

35) Do you believe that a graduated approach to determining the levy payable by credit licensees would be preferable to the proposed levy arrangements? Why or why not?

A more gradual progression in scales would be appropriate.

Attachment C – Funding Model for AFS Licensees

In 2016-17, the Government would recover around \$91 million through a levy on AFS Licensees.

36) Do you support the proposed arrangements for AFS Licensees’ levies? Why or why not?

The proposed arrangements could be enhanced by taking into account the different risk profiles of AFS License holders.

There is potential in these arrangements for double charging for the same activity. For example, Investment Banks will pay an annual levy depending on their categorisation, but will also pay separately for some of the activities within these entities such as brokerage. This double charging would be avoided by either charging only on an entity basis or a business activity basis.

Table G4 proposes a significant increase in the fee for “Applications for Relief”. If this continues to apply on a “per trust” basis, it would pose a large cost when entities apply for relief in relation to managed investment schemes.

The industry is seeking confirmation that under the funding model, one relief application could cover multiple trusts if the issue were to apply equally to all the trusts.

The industry is seeking clarification of whether AFSL levies per authorisation are to be calculated on the number of authorisations (i.e. number of services authorised to provide) per entity or per Responsible Manager.



The industry is also seeking clarification of how the proposed AFSL base levy of \$250 is to be calculated. Is this \$250 payable for a licence and for each authorisation, or where there are multiple authorisations, only for each authorisation?

37) Will the proposed levy arrangements for AFS licensees be competitively neutral? If not, why not?

It is not clear the arrangements are consistent with pricing for risk.

38) Will the proposed tiering arrangements support the growth of AFS Licensees? Why or why not?

The per adviser fee in Tier 1 is likely to discourage signing up new advisers.

39) Will the proposed levy arrangements for AFS Licensees support innovation? If not, why not?

The industry has no comment on this.

40) Will the proposed levy arrangements for AFS Licensees support small business? If not, why not?

The arrangements should promote the entry of smaller players.

41) Will the proposed levy arrangements for AFS Licensees support access to financial services in regional Australia? If not, why not?

The arrangements will support access to financial services in regional Australia to the extent smaller players are located in regional areas.

42) Do you believe that a graduated approach to determining the levy payable by AFS licensees, such as responsible entities and superannuation trustees, would be preferable to the proposed levy arrangements? Why or why not?

The industry has no comment on this.

[Attachment D – Funding Model for Registered Liquidators - Not Applicable](#)

[Attachment E – Funding Model for Auditors - Not Applicable](#)

[Attachment F – Funding Model for Market Infrastructure Providers - Not Applicable](#)

[Attachment G – Proposed Fee Schedule](#)

58) Are the proposed fee amounts for professional registration, licensing and document compliance review forms appropriate? If not, why not?

There are some significant increases here even though there has been removal of some of the fees for forms. The industry understands the principle that the cost of these activities will be recouped through fee for service. It will be a matter for ASIC and the Stakeholder Panel to determine if the fees are justifiable and feasible in the long term.

59) Do you think that the proposed fee amounts may act as a disincentive for some entities from submitting a professional registration or licence application, or a document for compliance review, with ASIC? If so, why?

The proposed fees are unlikely to act as a disincentive.

60) Do you support the fee payable for applications for relief being tiered based on the complexity of the application? If so, why?

The industry has no comment on this.



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61) Are the proposed fee amounts for applications for relief appropriate? If not, why not?

Further clarification is required on the definitions of 'standard', 'minor' or 'novel'. In return for the charging of these fees the industry would expect faster turnaround in responses from ASIC.

62) Do you think that the proposed fee amounts may act as a disincentive for some entities from submitting applications for relief with ASIC? If so, why?

As above, this will depend on the service provided in return for the application of fees.

63) Would you support the Government only imposing partial cost recovery for applications for limited AFS licences? (See Form P-FS01A and P-FS01B).

This would be appropriate.

Attachment I – Definitions of industry sectors and subsectors

64) Do you agree with the proposed definitions for industry sectors and sub-sectors? If not, why not?

The proposed definitions seem appropriate.