



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

10 March 2017

Manager
Corporations and Schemes Unit
Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600

Via Email: asicfunding@treasury.gov.au

Dear Sir/Madam,

Chartered Accountants Australia and New Zealand Submission in response to the Exposure Draft of the ASIC SUPERVISORY COST RECOVERY LEVY BILL 2017 AND RELATED BILLS

Chartered Accountants Australia and New Zealand (Chartered Accountants ANZ) acknowledges the Government's decision to move to a new funding model for the Australian Securities and Investments Commission (ASIC), that is, one funded by industry. As previously submitted, while supporting a well-funded and well-resourced ASIC, our organisation does not support this approach. Full funding by industry does not recognise government's basic responsibility which would require the funding of some core aspects. The basis for cost recovery will likely lead to reduced competition in the more heavily regulated areas, particularly in relation to insolvency practitioners. Further, the approach as proposed does not strengthen accountability for costs.

We also have concern over the haste to introduce the system from June when fundamental issues, such as the tax deductibility of levies, have not been resolved.

Our comments below in relation to the current consultation are in light of these overall positions.

The current proposals relate to process for the collection of the levy. Our comment in relation to this process relates to the timing for submission of information. Entities and practitioners will be required to provide information on their income or fees for the year to 30 June, in a format yet to be determined, by a deadline of 31 October each year. This period is the busiest period in the corporate arena as all entities seek to finalise their annual financial reports and audits. The content and format of the information to be submitted to ASIC is not known. If this data requirement is complicated or likely to be time consuming, it could be difficult for some entities, particularly those with fewer resources or automated systems, to manage in this period. We understand that certainty over levy amounts is of paramount importance but have concern that the timing of data requests could increase the already challenging time pressure and stress on entities, particularly smaller businesses, at the year

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end. We therefore recommend consideration of a November deadline and direction that the information request be kept to the minimum required to enable apportionment.

The Appendix to this submission includes information about Chartered Accountants ANZ. If you have any questions regarding this submission, please contact Liz Stamford, Audit & Insolvency Leader, by email liz.stamford@charteredaccountantsanz.com.

Yours faithfully,



Rob Ward AM FCA
Head of Leadership and Advocacy
Chartered Accountants Australia and New Zealand

Appendix: About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand is a professional body comprised of over 120,000 diverse, talented and financially astute members who utilise their skills every day to make a difference for businesses the world over.

Members are known for their professional integrity, principled judgment, financial discipline and a forward-looking approach to business which contributes to the prosperity of our nations. We focus on the education and lifelong learning of our members, and engage in advocacy and thought leadership in areas of public interest that impact the economy and domestic and international markets.

We are a member of the International Federation of Accountants, and are connected globally through the 800,000-strong Global Accounting Alliance and Chartered Accountants Worldwide which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents 788,000 current and next generation accounting professionals across 181 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications to students and business.