

# WHERE ASIC FITS IN THE REGULATORY PICTURE

## Who does ASIC protect?

Consumers, investors and creditors of corporations, including an estimated\*:

- 15.7 million people with a deposit account
- 10.5 million investing through superannuation or annuities
- 9.9 million with credit or charge cards including debit only
- 6.4 million with a home, personal or investment loan
- 4 million directly owning shares
- 2.1 million having invested through a financial adviser
- 1.2 million investing in managed funds.

\*Roy Morgan Research, 12 months to March 2005, people aged 14+.

## Who we regulate

## How we regulate them

1.43 million companies

- Register each company with a unique number, and record the number, name, directors and other information on a public register
- Investigate and act against misconduct by company directors and officers
- Grant or refuse requests for relief from the law
- Receive prospectuses before money is raised
- Uphold the law on financial reporting and company mergers and acquisitions

6,173 company auditors,  
762 registered liquidators of whom  
367 were also official liquidators

- Register them before they start operating
- Investigate and act against misconduct

13 financial markets and 4 clearing  
and settlement facilities licensed by  
the Minister, including:

- Australian Stock Exchange Ltd
- Sydney Futures Exchange Ltd

- Investigate and act against misconduct by listed companies, brokers and traders
- Assess and report to the Minister on market supervisory arrangements
- Advise the Minister about rule changes and whether to approve new markets
- Monitor what ASX Ltd does as a listed company, and trading in its shares

4,135 financial services businesses,  
regulated by ASIC including:

- fund managers
- stockbrokers
- financial advisers
- insurance brokers

- License them before they start operating
- Set standards for education, training and operations
- Investigate and act against misconduct
- Record their details and their authorised representatives on a public register

## Who we regulate

4,093 managed investment schemes, registered by ASIC

APRA-regulated financial services businesses including:

- banks and deposit taking institutions
- superannuation funds
- life and general insurance companies

Credit providers operating under State and Territory laws

## How we regulate them

- Register them before they start operating
- Investigate and act against misconduct
- Record their details on a public register

- Investigate and act against misconduct affecting consumers or misconduct as corporations
- Cooperate with APRA
- Approve consumer complaint resolution schemes
- Report on how they comply with codes of practice

- Investigate and act against misleading and deceptive conduct affecting consumers
- Cooperate with State and Territory regulators

## ASIC's statutory aims

In brief, section 1(2) of the ASIC Act requires us to:

- uphold the law uniformly, effectively, and quickly
- promote confident and informed participation by investors and consumers in the financial system
- make information about companies and other bodies available to the public
- improve the performance of the financial system and entities within it.

## ASIC's legislation

ASIC regulates companies and financial services, and promotes investor, creditor and consumer protection under the *Australian Securities and Investments Commission Act 2001*; *Corporations Act 2001*; *Insurance Act 1973*; *Insurance Contracts Act 1984*; *Superannuation (Resolution of Complaints) Act 1993*; *Life Insurance Act 1995*; *Retirement Savings Accounts Act 1997*; and the *Superannuation Industry (Supervision) Act 1993*.

## Other financial regulators

The Australian Prudential Regulation Authority (APRA) regulates prudential standards for deposit-taking institutions, insurance companies, and larger superannuation funds so to ensure, under all reasonable circumstances, that they meet their financial promises.

State and Territory fair trading or consumer affairs agencies regulate consumer credit under the Uniform Consumer Credit Code.

The Reserve Bank of Australia regulates monetary policy and the stability of the financial system.

ASIC cooperated with these bodies through consultation at senior level and regular contact by operational and policy staff.