



2017–18 ASIC business plan summary by sector

Market infrastructure

Key projects	Project status	Focus
Stakeholder engagement		
Active stakeholder engagement	Ongoing	Strategic and business liaison meetings with market infrastructure providers on business initiatives, risk and strategic issues that underpin sustained confidence in Australia's financial markets.
Market infrastructure provider substituted compliance from foreign regulators	Ongoing	Active international engagement to enable Australia's market infrastructure providers to obtain and maintain substituted compliance recognition from foreign regulators. This enables providers to use their Australian authorisation to offer services in the international market.
Active engagement on international market developments	Ongoing	<ul style="list-style-type: none"> ◆ Extensive engagement and intelligence gathering on international market structure and regulatory developments and emerging risks for early evaluation of their likely impact on the Australian market ◆ Managing the impact of changing international regulatory requirements (e.g. Markets in Financial Instruments Directive II and Dodd-Frank) and supporting industry alignment with the Australian regulatory framework.
Guidance		
Financial market licensing regime	Continuing project from 2015–16	Publishing ASIC's approach to developing a tiered market licensing framework based on a risk assessment. The second tier facilitates specialised and emerging market venues. This aligns Australia's approach with international practice and to support innovative and specialised market models.
Client money	Continuing project from 2015–16	Implementing new ASIC reporting and reconciliation rules to ensure more formal and consistent standards across the retail derivatives sector. Working with Australian Financial Services licensees during the transition period to ensure adequate record keeping and timely and robust review processes.
Complex exchange-traded products	New project	Implementing standards for the admission of complex products by retail exchange market operators, including standards on risk controls.
Consolidation of rule books	Ongoing	Finalising the first phase of the Market Integrity Rules (MIRs) consolidation project to reduce industry burden of multiple MIR books and to develop more streamlined principles that can better cater to future market developments and innovations.
Surveillance		
Review of technology and operational risk systems and controls of ASX Group	Continuing project from 2016–17	Reviewing the ASX Group's internal system, governance and operational risk management and controls, including working with an independent third party. We will publish a final report on our findings and key recommendations.
Technology standards	Continuing project	Finalising frameworks for surveillance of market infrastructure providers'



	from 2016–17	management of systems, technology program, and systems recovery and testing.
Financial benchmarks regime	Continuing project from 2016–17	Publishing ASIC rules and ASIC's approach to surveillance and regulation of financial benchmark administrators and participants in the rate-setting regime, with a view to improving entities' understanding of their regulatory obligations and compliance with those obligations.
Review of market operators' administration of market announcement and market disclosure framework	New project	Effectiveness of listing market operators' monitoring and enforcement of listed companies' compliance with their disclosure obligations.
Australian Securities Exchange (ASX) Clearing House Electronic sub-register System (CHES) replacement	New project	Collaborating with Council of Financial Regulators (CFR) and Australian Consumer and Competition Commission (ACCC) on surveillance of ASX's compliance with CFR requirements on the replacement of CHES, including governance arrangements for its replacement decision.
Market-wide review and assessment of Australian Credit Rating Agencies' obligations	New project	Cross-market review of Australian Credit Rating Agencies' compliance with domestic and international standards across conflicts and governance.
Review into specific elements of financial market crime	New project	Review into crime in Australian financial markets, including identifying misconduct, mechanisms used to execute misconduct and options to deter the activity.
Assessment of select non-exchange traded market platforms	New project	Reviewing important non-exchange traded market platforms' compliance with obligations (including those relating to operational and technological risk management and conflict handling) that underpin fair, orderly and transparent markets in Australia.
Surveillance, licensing and authorisations of providers of market infrastructure in Australia	Ongoing	<ul style="list-style-type: none">◆ Surveillance, licensing and authorisations of domestic and international market infrastructure providers offering traditional market infrastructure models including exchanges, benchmark administrators, post-trade clearing and settlement (C&S) services◆ Surveillance, licensing and authorisations of domestic and international providers of novel markets (e.g. relating to crowd-funding) and over-the-counter professional financial markets◆ Assessing and approving changes to market structure through operating rule change applications from financial market infrastructure providers◆ Ensuring changes by the operators of Australia's market infrastructure are effectively managed and do not adversely impact on market confidence and those that use the infrastructure◆ Further enhancing the risk-based tool for assessing small financial market operators and credit rating agencies.
Cyber resilience	Ongoing	Undertaking surveillance of industry trends, risks and best practice in collaboration with government, regulators, industry and other domestic and international bodies, and including:



- ◆ Continuing to raise awareness and set standards for cyber resilience across industry including the development of strategies and practices for mitigating cyber risk
- ◆ Working with CFR agencies on cyber planning supporting the Australian cyber security centre and Attorney-General's Department's execution of Australia's Cyber Security Strategy.

Policy advice

Competition in equities clearing and settlement	Continuing project from 2015–16	Finalising, with CFR and ACCC, the framework for safe and effective competition in C&S services.
Market infrastructure recovery and resolution arrangements	Continuing project from 2015–16	Developing and implementing with CFR the Australian regime for the recovery and resolution of market infrastructure providers.
