



## CRIS: ASIC INDUSTRY FUNDING MODEL (2022–23)

This document is part of [ASIC's 2022–23 CRIS](#). It should be read in conjunction with the other documents that make up the CRIS, including the key terms.

### D Investment management, superannuation and related services sector

#### Key points

This document outlines:

- our work during 2022–23 to regulate the investment management, superannuation and related services sector—for our ongoing regulatory activities, see paragraphs 1–8, and for our strategic work, see Table 1;
- the estimated levies to recover our costs—for a summary of the estimated levies for each subsector, see Table 2; and
- more detailed breakdowns of estimated costs for each subsector—see paragraphs 11–18.

The estimated levies are a guide only. The final levies will be based on our actual cost of regulating each subsector in 2022–23.

### Overview of the investment management, superannuation and related services sector

- 1 The investment management, superannuation and related services sector consists of AFS licensees with authorisations to:
- (a) operate registered managed investment schemes (responsible entities);
  - (b) operate a notified foreign passport fund or a regulated former notified fund (operators of notified foreign passport funds and regulated former notified funds);
- Note: There are currently no entities in this subsector.
- (c) issue or arrange for the issue of interests in a managed investment scheme to wholesale clients (wholesale trustees);
  - (d) provide custodial and depository services (custodians);

- (e) issue interests in managed discretionary account services (MDA providers);
- (f) operate an investor directed portfolio service (IDPS operators);
- (g) provide traditional trustee company services (traditional trustee company service providers); and
- (h) provide a crowdfunding service (crowd-sourced funding (CSF) intermediaries).

Note: CSF intermediaries are not currently a separate subsector under the industry funding model. As a result, the regulatory costs for CSF intermediaries will be allocated proportionally across all subsectors as a statutory levy—see Table 3 in *2022–23 CRIS: Summary of ASIC’s 2022–23 regulatory costs and estimated levies for subsectors*, part of the [2022–23 CRIS](#).

- 2 Registrable superannuation entity (RSE) licensees (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (SIS Act)) also fall within the investment management, superannuation and related services sector (as ‘superannuation trustees’).

Note: Superannuation trustees are required to hold an AFS licence with authorisations to deal in superannuation and to provide a superannuation trustee service.

## Our ongoing regulatory work

- 3 We use the full suite of our regulatory tools to promote integrity in this sector in order to bring about sound consumer and investor outcomes. This includes:
- (a) assessing and responding to compliance and misconduct issues reported to ASIC, or otherwise identified by ASIC through proactive or reactive surveillances, including through intensive supervision of large institutions that have subsidiaries in this subsector through our institutional supervision work;
  - (b) where appropriate, taking enforcement action to address misconduct (such as fraud and misleading or deceptive conduct). This action may span several years; and
  - (c) influencing our regulated population to improve compliance and minimise consumer harm through engagement with industry.
- 4 We expend a large amount of regulatory effort within this sector because of the large number of interactions entities in this sector have with retail and institutional investors, and the potential harm to consumers, investors and markets.
- 5 We work closely with the Australian Government and other regulatory agencies (particularly the Australian Prudential Regulation Authority (APRA)) to achieve a coordinated approach to regulation.

- 6 We assess applications to register managed investment schemes. ASIC is under a statutory obligation to register a managed investment scheme within 14 days of receiving the application unless the application does not meet legislative requirements.

### Strategic work in this sector

- 7 ASIC's [Corporate Plan 2022–26: Focus 2022–23](#) outlines our strategic priorities for the next four years and our planned actions for 2022–23. The corporate plan also sets out our core strategic projects, which support the delivery on our strategic priorities.
- 8 Our strategic priorities also inform our [2023 enforcement priorities](#), which communicate our intent to industry and indicate where we will direct our resources and expertise.
- 9 Table 1 sets out our areas of focus in the investment management, superannuation and related services sector in 2022–23.

Note: In Table 1, the strategic work *may* apply to the listed relevant subsectors, depending on prevailing circumstances. Our key actions for some strategic work can apply to multiple sectors and subsectors, particularly for our core strategic projects. This means that there may be other relevant sectors and subsectors for this work outside the investment management, superannuation and related services sector.

**Table 1: Strategic work in the investment management, superannuation and related services sector (2022–23)**

| Focus area  | Key actions  | Relevant subsector                            |
|---|--|---|
| Financial Accountability Regime<br>(core strategic project)     | <ul style="list-style-type: none"> <li>Developing industry guidance.</li> <li>Implementing joint capabilities with APRA for registration and notification activities under the regime.</li> </ul>  | Superannuation trustees                       |
| Design and distribution obligations<br>(core strategic project) | <ul style="list-style-type: none"> <li>Conducting surveillance of superannuation trustees' distribution practices in relation to choice superannuation products, and examining the role of financial advisers and their licensees in the distribution of underperforming choice products.</li> <li>Conducting surveillance of a sample of target market determinations in the superannuation and managed funds sectors.</li> <li>Taking enforcement action to address poor design and distribution of products.</li> </ul> | Responsible entities, superannuation trustees |

| Focus area   | Key actions   | Relevant subsector  |
|--|---|---|
| Sustainable finance<br>(core strategic project)              | <ul style="list-style-type: none"> <li>• Oversight of sustainability-related disclosure and governance practices.</li> <li>• Continuing to work with peer domestic and international regulators (such as the Council of Financial Regulators Climate Working Group and the International Organization of Securities Commissions (IOSCO) Sustainable Finance Task Force) on sustainable finance developments.</li> <li>• Licensing and supervision of carbon and related markets and implementing a new Memorandum of Understanding (MOU) with the Australian Energy Regulator to address misconduct in gas and electricity markets.</li> <li>• Taking enforcement action against misconduct, including greenwashing by entities.</li> </ul> | Superannuation trustees, responsible entities                                 |
| Scams<br>(core strategic project)                            | <ul style="list-style-type: none"> <li>• Developing enhanced, data-informed approaches to identifying, quantifying and disrupting scams.</li> <li>• Working with other regulators and law enforcement agencies, both domestic and overseas, to disrupt scams and coordinate enforcement strategies.</li> <li>• Reviewing the scam identification and response strategies of authorised deposit-taking institutions (ADIs).</li> <li>• Improving our communications and consumer education, including through social media, to help consumers be more aware of scams and how to identify them.</li> <li>• Taking enforcement action to combat and disrupt serious investment scams.</li> </ul>   | Responsible entities, wholesale trustees, superannuation trustees             |
| Cyber and operational resilience<br>(core strategic project) | <ul style="list-style-type: none"> <li>• Implementing a cross-industry self-assessment to benchmark and increase cyber resilience in our regulated population.</li> <li>• Engaging with industry to promote good practices and support initiatives that enhance cyber resilience.</li> <li>• Partnering with other regulators to harmonise regulatory approaches and action.</li> <li>• Updating the legal and compliance obligations for regulated entities that were first published in <a href="#">Report 429</a> <i>Cyber resilience: Health check</i> (REP 429).</li> <li>• Supporting the implementation of whole-of-government cyber resilience initiatives relevant to ASIC's regulated entities.</li> </ul>                        | Responsible entities, wholesale trustees, custodians, Superannuation trustees |

| Focus area                                   | Key actions   | Relevant subsector  |
|--|---|---|
| Crypto-assets<br>(core strategic project)    | <ul style="list-style-type: none"> <li>Supporting the development of an effective regulatory framework focused on consumer protection and market integrity following the recent consultation by Treasury.</li> <li>Taking enforcement action to protect consumers from harms associated with crypto-assets, including those that mimic traditional products but seek to circumvent regulation.</li> <li>Supervising and assessing Product Disclosure Statements (PDSs) and target market determinations of major crypto offerings within our jurisdiction.</li> <li>Implementing and monitoring the regulatory model for exchange traded products with underlying crypto investments.</li> <li>Raising public awareness of the risks inherent in crypto-assets and decentralised finance</li> <li>Working with domestic and international peers to monitor risks, develop coordinated responses to issues, and develop international policy regarding crypto-assets and decentralised finance.</li> </ul> | Responsible entities, custodians  |
| Breach reporting<br>(core strategic project) | <ul style="list-style-type: none"> <li>Continuing to closely monitor the operation of the new reportable situations regime to further support industry with the practical implementation of the new obligations.</li> <li>Working with stakeholders to identify and implement solutions that will improve the consistency and quality of reporting practices, including providing further guidance.</li> <li>Preparing ASIC's first report on insights from reportable situations and commencing development of a framework for ongoing publication of information about the reports received—see <a href="#">Report 740 Insights from the reportable situations regime: October 2021 to June 2022 (REP 740)</a>.</li> <li>Developing enhanced data analytics capabilities to harness the value of the information we receive under the regime to achieve better regulatory outcomes.</li> </ul>  | All investment management, superannuation and related services subsectors |
| Review of trustee transparency               | Reviewing industry practice and communicating our expectations regarding trustees' disclosure obligations, to drive changes that improve transparency.  | Superannuation trustees   |
| Trustee oversight of advice fee deductions   | Conducting surveillance of trustees' oversight of advice fee deductions.  | Superannuation trustees   |
| Performance test failure communications      | Monitoring underperformance notifications and other communications by trustees that have products that fail the APRA performance test.  | Superannuation trustees   |

| Focus area                                    | Key actions  | Relevant subsector                            |
|---|--|---|
| Internal dispute resolution in superannuation | <ul style="list-style-type: none"> <li>Continuing our surveillance of internal dispute resolution (IDR) practices, including by analysing data and reviewing complaint responses, to assess trustees' compliance with new enforceable standards.</li> <li>Communicating our findings to drive continued improvements by trustees.</li> </ul>   | Superannuation trustees                       |
| Retirement income covenant                    | With APRA, reviewing trustees' implementation of the retirement income covenant and communicating our findings to drive improved retirement outcomes for consumers.  | Superannuation trustees                       |
| Insurance in superannuation                   | <ul style="list-style-type: none"> <li>Continuing our surveillance of trustees on issues previously raised by ASIC, including those outlined in <a href="#">Report 633</a> <i>Holes in the safety net: A review of TPD insurance claims</i> (REP 633) and <a href="#">Report 675</a> <i>Default insurance in superannuation: Member value for money</i> (REP 675).</li> <li>Communicating our findings to drive continued improvements by trustees.</li> </ul>   | Superannuation trustees                       |
| Institutional supervision                     | <ul style="list-style-type: none"> <li>Conducting continuous monitoring of the largest financial institutions that have the greatest potential impact on consumers and markets, to seek improvements in consumer outcomes. This is done through: <ul style="list-style-type: none"> <li>collecting and analysing a range of governance and risk management related information; and</li> <li>regular structured engagements with senior executives.</li> </ul> </li> <li>Conducting targeted proactive reviews (involving data analysis and interviews) of topical issues, including reportable situations and their internal audit functions, at the largest financial institutions.</li> </ul> | Superannuation trustees, responsible entities |
| Review of whistleblower programs              | <ul style="list-style-type: none"> <li>Reviewing whistleblower programs from a sample of regulated entities to assess: <ul style="list-style-type: none"> <li>how they handle whistleblower disclosures;</li> <li>how they use the information from disclosures to address issues or misconduct or change their operations; and</li> <li>the level of board and executive oversight of the program.</li> </ul> </li> <li>Communicating our expectations and good practices regarding whistleblower programs—see <a href="#">Report 758</a> <i>Good practices for handling whistleblower disclosures</i> (REP 758).</li> </ul>  | Superannuation trustees                       |

| Focus area  | Key actions  | Relevant subsector  |
|---|--|---|
| Marketing and disclosure about risk and return for managed investment funds | <ul style="list-style-type: none"> <li>• Monitoring marketing in traditional and digital media using search terms that are likely to appeal to retail investors.</li> <li>• Reviewing PDSs—focusing on new PDSs and responsible entities with a history of poor disclosure—to identify likely misleading returns, inappropriate benchmark use or poor risk disclosure.</li> <li>• Taking enforcement and other regulatory action on non-compliance, where warranted.</li> </ul>  | Responsible entities, wholesale trustees  |
| Updating relief in sunseting class orders                                   | <p>Updating relief in sunseting class orders that relates to:</p> <ul style="list-style-type: none"> <li>• changing the responsible entity of a listed scheme;</li> <li>• consideration to acquire interests and withdrawal amounts in managed funds;</li> <li>• equality of treatment impacting on the acquisition of interests in managed funds;</li> <li>• financial resource requirements for responsible entities, operators of IDPSs, and custodial and depository service providers;</li> <li>• IDPS and IDPS-like schemes;</li> <li>• quotation and periodic statements for exchange traded funds on the AQUA market and listed managed funds;</li> <li>• land holding requirements for primary production managed funds; and</li> <li>• asset holding standards for responsible entities and providers of custodial and depository services.</li> </ul> | Wholesale trustees, responsible entities, custodians, IDPS operators                |
| Administrative action   | Engaging with licensees that have failed to comply with lodgement, financial and professional indemnity requirements to obtain compliance or cancel authorisations.  | Responsible entities, wholesale trustees, IDPS operators, MDA operators, custodians |
| Litigation funding schemes  | Responding to the Australian Government's policy position on the regulation of litigation funding schemes.   | Responsible entities  |

## Summary table of estimated industry funding levies for the investment management, superannuation and related services sector

Table 2: Estimated industry funding levies for the investment management, superannuation and related services sector

| Subsector                | Definition   | Estimated cost recovery amount | Number of entities | Levy metric and description   | Minimum levy | Graduated levy threshold | Estimated levy   |
|--------------------------|--|--------------------------------|--------------------|---|--------------|--------------------------|--|
| Super-annuation trustees | Entities that are an RSE licensee (within the meaning of the SIS Act).             | \$28.798m                      | 87                 | <p><b>Adjusted total assets</b></p> <p>The total value of assets in all registrable superannuation entities operated by the entity at the end of the financial year, except any assets that are an interest in another registrable superannuation entity operated by the entity and any other assets that are employer sponsored receivables.</p>               | \$18,000     | \$250m                   | Minimum levy of \$18,000, plus \$13.68 per \$1m of assets above the \$250m threshold |
| Responsible entities     | Entities that hold an AFS licence authorising them to operate a registered scheme. | \$35.590m                      | 435                | <p><b>Adjusted total assets</b></p> <p>The total value of assets in all registered schemes operated by the entity at the end of the financial year, except any assets that are an interest in another registered scheme operated by the entity and, if the entity is also a wholesale trustee, any interest in an unregistered scheme issued by the entity.</p> | \$7,000      | \$10m                    | Minimum levy of \$7,000, plus \$22.70 per \$1m of assets above the \$10m threshold   |



| Subsector  | Definition   | Estimated cost recovery amount | Number of entities | Levy metric and description   | Minimum levy | Graduated levy threshold | Estimated levy   |
|--|--|--------------------------------|--------------------|---|--------------|--------------------------|--|
| Wholesale trustees   | Entities that hold an AFS licence authorising them to deal in a financial product by issuing interests in, or arranging for the issue of interests in, a managed investment scheme to wholesale clients.     | \$2.886m                       | 1,832              | <b>Adjusted total assets</b><br>The total value of assets in all unregistered schemes at the end of the financial year, except any assets that are an interest in another registered or unregistered scheme operated by the wholesale trustee or any assets that are an interest in a notified foreign passport fund issued by the entity if the entity forms part of the operators of a notified foreign passport funds subsector.                           | \$1,000      | Not applicable           | Minimum levy of \$1,000, plus \$1.29 per \$1m of adjusted total assets |
| Operators of notified foreign passport funds and regulated former notified funds | Entities that, at any time in the financial year, are the operator of: <ul style="list-style-type: none"> <li>• a notified foreign passport fund; or</li> <li>• a regulated former notified fund.</li> </ul> | \$0.000m                       | 0                  | <b>Australian assets</b><br>Total value of Australian assets in all notifiable foreign passport funds or regulated former notified funds operated by the entity, except any assets that are an interest in another notified foreign passport fund or regulated former notified fund operated by the entity and, if the entity forms part of the wholesale trustees subsector, any assets that are an interest in an unregistered scheme issued by the entity. | \$1,000      | Not applicable           | Not applicable   |

| Subsector      | Definition   | Estimated cost recovery amount              | Number of entities | Levy metric and description  | Minimum levy   | Graduated levy threshold | Estimated levy |
|----------------|--|---|--------------------|--|----------------|--------------------------|----------------|
| Custodians     | Entities that, at any time in the financial year, hold an AFS licence that authorises them to provide a custodial or depository service. | \$0.328m                                    | 1,277              | Flat levy  | Not applicable | Not applicable           | \$257          |
| IDPS operators | Entities that hold an AFS licence authorising them to operate an IDPS.   | \$0.000m<br>Note: See Table 8 for breakdown | 82                 | <p><b>Revenue from IDPS activity</b></p> <p>The levy metric will be the sum of:</p> <ul style="list-style-type: none"> <li>the amount of gross revenue received from IDPS activities undertaken under the entity's licence in the financial year; and</li> <li>unless covered under the previous point, any amount paid or payable in the financial year from the IDPS for the performance of obligations imposed on the IDPS operator (even if those obligations are performed by another entity).</li> </ul> | \$0            | Not applicable           | Not applicable |

| Subsector                                     | Definition  | Estimated cost recovery amount | Number of entities | Levy metric and description   | Minimum levy   | Graduated levy threshold | Estimated levy |
|---|---|--------------------------------|--------------------|---|----------------|--------------------------|----------------|
| MDA providers                                 | <p>Entities that hold an AFS licence authorising them to deal in a financial product by issuing financial products in respect of:</p> <ul style="list-style-type: none"> <li>interests in managed investment schemes, limited to MDA services; or</li> <li>miscellaneous financial investment products, limited to MDA services.</li> </ul> | \$0.334m                       | 244                | <p><b>Number of days authorised</b></p> <p>The number of days in the financial year on which the entity holds the prescribed AFS licence authorisation.</p> | Not applicable | Not applicable           | \$1,453        |
| Traditional trustee company service providers | Entities that are AFS licensees authorised to provide traditional trustee company services.   | \$0.080m                       | 11                 | <p><b>Number of days authorised</b></p> <p>The number of days in the financial year on which the entity holds the prescribed AFS licence authorisation.</p> | Not applicable | Not applicable           | \$7,260        |

## Detailed breakdown of estimated costs of regulating each subsector in the investment management, superannuation and related services sector

- 10 We have provided a breakdown of the costs for each subsector in the investment management, superannuation and related services sector. We have also included the cost of regulating the subsector in the previous year. For more information about the actual costs for the 2021–22 financial year, see our [annual dashboard report and summary of variances](#) on our website.

### Superannuation trustees

- 11 ASIC’s cost of regulating the subsector in 2021–22 was \$32.2 million. The estimated cost of regulating the subsector for 2022–23 is \$28.8 million: see Table 3.

**Table 3: Estimated costs to regulate superannuation trustees**

| Expense  | Estimated cost   |
|--|------------------|
| Supervision and surveillance                       | \$4.757m         |
| Enforcement  | \$7.619m         |
| Other regulatory activities                        |                  |
| <i>Industry engagement</i>                         | \$0.711m         |
| <i>Education</i>                                   | \$0.741m         |
| <i>Guidance</i>                                    | \$0.882m         |
| <i>Policy advice</i>                               | \$0.394m         |
| Indirect costs                                     |                  |
| <i>Governance, central strategy and legal</i>      | \$3.210m         |
| <i>IT support</i>                                  | \$3.152m         |
| <i>Operations support</i>                          | \$2.878m         |
| <i>Property and corporate services</i>             | \$3.306m         |
| <b>Total operating expenditure</b>                 | <b>\$27.648m</b> |
| Allowance for capital expenditure                  | \$1.957m         |
| Less costs funded by own-source revenue            | (\$0.807m)       |
| Adjustment for prior year (under or over recovery) | \$0.000m         |
| <b>Total levy to recover costs</b>                 | <b>\$28.798m</b> |

## Responsible entities

- 12 ASIC’s cost of regulating the subsector in 2021–22 was \$23.4 million. The estimated cost of regulating the subsector for 2022–23 is \$35.6 million: see Table 4.

**Table 4: Estimated costs to regulate responsible entities**

| Expense  | Estimated cost   |
|--|------------------|
| Supervision and surveillance                       | \$3.378m         |
| Enforcement  | \$12.257m        |
| Other regulatory activities                        |                  |
| <i>Industry engagement</i>                         | \$0.336m         |
| <i>Education</i>                                   | \$0.283m         |
| <i>Guidance</i>                                    | \$0.499m         |
| <i>Policy advice</i>                               | \$0.539m         |
| Indirect costs                                     |                  |
| <i>Governance, central strategy and legal</i>      | \$4.744m         |
| <i>IT support</i>                                  | \$3.582m         |
| <i>Operations support</i>                          | \$3.382m         |
| <i>Property and corporate services</i>             | \$4.102m         |
| <b>Total operating expenditure</b>                 | <b>\$33.101m</b> |
| Allowance for capital expenditure                  | \$2.568m         |
| Less costs funded by own-source revenue            | (\$0.004m)       |
| Adjustment for prior year (under or over recovery) | (\$0.075m)       |
| <b>Total levy to recover costs</b>                 | <b>\$35.590m</b> |

## Wholesale trustees

- 13 ASIC’s cost of regulating the subsector in 2021–22 was \$4.0 million. The estimated cost of regulating the subsector for 2022–23 is \$2.9 million: see Table 5.

**Table 5: Estimated costs to regulate wholesale trustees**

| Expense                      | Estimated cost |
|------------------------------|----------------|
| Supervision and surveillance | \$0.283m       |
| Enforcement                  | \$0.861m       |

| Expense  | Estimated cost  |
|--|-----------------|
| Other regulatory activities                        |                 |
| <i>Industry engagement</i>                         | \$0.032m        |
| <i>Education</i>                                   | \$0.024m        |
| <i>Guidance</i>                                    | \$0.042m        |
| <i>Policy advice</i>                               | \$0.053m        |
| Indirect costs                                     |                 |
| <i>Governance, central strategy and legal</i>      | \$0.411m        |
| <i>IT support</i>                                  | \$0.309m        |
| <i>Operations support</i>                          | \$0.293m        |
| <i>Property and corporate services</i>             | \$0.355m        |
| <b>Total operating expenditure</b>                 | <b>\$2.663m</b> |
| Allowance for capital expenditure                  | \$0.222m        |
| Less costs funded by own-source revenue            | \$0.000m        |
| Adjustment for prior year (under or over recovery) | \$0.000m        |
| <b>Total levy to recover costs</b>                 | <b>\$2.886m</b> |

### Operators of notified foreign passport funds and regulated former notified funds

14 ASIC's cost of regulating the subsector in 2021–22 was \$0.0 million. The estimated cost of regulating the subsector for 2022–23 is \$0.0 million: see Table 5.

**Table 6: Estimated costs to regulate operators of notified foreign passport funds and regulated former notified funds**

| Expense                      | Estimated cost |
|------------------------------|----------------|
| Supervision and surveillance | \$0.000m       |
| Enforcement                  | \$0.000m       |
| Other regulatory activities  |                |
| <i>Industry engagement</i>   | \$0.000m       |
| <i>Education</i>             | \$0.000m       |
| <i>Guidance</i>              | \$0.000m       |
| <i>Policy advice</i>         | \$0.000m       |

| Expense  | Estimated cost  |
|--|-----------------|
| Indirect costs                                     |                 |
| <i>Governance, central strategy and legal</i>      | \$0.000m        |
| <i>IT support</i>                                  | \$0.000m        |
| <i>Operations support</i>                          | \$0.000m        |
| <i>Property and corporate services</i>             | \$0.000m        |
| <b>Total operating expenditure</b>                 | <b>\$0.000m</b> |
| Allowance for capital expenditure                  | \$0.000m        |
| Less costs funded by own-source revenue            | \$0.000m        |
| Adjustment for prior year (under or over recovery) | \$0.000m        |
| <b>Total levy to recover costs</b>                 | <b>\$0.000m</b> |

## Custodians

- 15 ASIC's cost of regulating the subsector in 2021–22 was \$350,612. The estimated cost of regulating the subsector for 2022–23 is \$327,779: see Table 7.

**Table 7: Estimated levies to recover costs to regulate custodians**

| Expense                                       | Estimated cost  |
|---|-----------------|
| Supervision and surveillance                  | \$0.081m        |
| Enforcement                                   | \$0.010m        |
| Other regulatory activities                   |                 |
| <i>Industry engagement</i>                    | \$0.011m        |
| <i>Education</i>                              | \$0.004m        |
| <i>Guidance</i>                               | \$0.012m        |
| <i>Policy advice</i>                          | \$0.015m        |
| Indirect costs                                |                 |
| <i>Governance, central strategy and legal</i> | \$0.047m        |
| <i>IT support</i>                             | \$0.043m        |
| <i>Operations support</i>                     | \$0.036m        |
| <i>Property and corporate services</i>        | \$0.041m        |
| <b>Total operating expenditure</b>            | <b>\$0.301m</b> |
| Allowance for capital expenditure             | \$0.027m        |

| Expense  | Estimated cost  |
|--|-----------------|
| Less costs funded by own-source revenue            | \$0.000m        |
| Adjustment for prior year (under or over recovery) | \$0.000m        |
| <b>Total levy to recover costs</b>                 | <b>\$0.328m</b> |

## IDPS operators

- 16 ASIC's cost of regulating the subsector in 2021–22 was \$443,343. The estimated cost of regulating the subsector for 2022–23 is \$0, due to court cost recovery: see 'Less costs funded by own-source revenue' in Table 8.

**Table 8: Estimated costs to regulate IDPS operators**

| Expense  | Estimated cost  |
|--|-----------------|
| Supervision and surveillance                       | \$0.014m        |
| Enforcement  | \$0.411m        |
| Other regulatory activities                        |                 |
| Industry engagement                                | \$0.003m        |
| Education  | \$0.001m        |
| Guidance   | \$0.001m        |
| Policy advice                                      | \$0.005m        |
| Indirect costs                                     |                 |
| <i>Governance, central strategy and legal</i>      | \$0.008m        |
| <i>IT support</i>                                  | \$0.008m        |
| <i>Operations support</i>                          | \$0.006m        |
| <i>Property and corporate services</i>             | \$0.008m        |
| <b>Total operating expenditure</b>                 | <b>\$0.465m</b> |
| Allowance for capital expenditure                  | \$0.005m        |
| Less costs funded by own-source revenue            | (\$0.470m)      |
| Adjustment for prior year (under or over recovery) | \$0.000m        |
| <b>Total levy to recover costs</b>                 | <b>\$0.000m</b> |

## MDA providers

- 17 ASIC's cost of regulating the subsector in 2021–22 was \$1.8 million. The estimated cost of regulating the subsector for 2022–23 is \$333,978: see Table 9.



**Table 9: Estimated costs to regulate MDA providers**

| <b>Expense</b>                                     | <b>Estimated cost</b> |
|--|-----------------------|
| Supervision and surveillance                       | \$0.017m              |
| Enforcement  | \$0.188m              |
| Other regulatory activities                        |                       |
| <i>Industry engagement</i>                         | \$0.003m              |
| <i>Education</i>                                   | \$0.002m              |
| <i>Guidance</i>                                    | \$0.002m              |
| <i>Policy advice</i>                               | \$0.005m              |
| Indirect costs                                     |                       |
| <i>Governance, central strategy and legal</i>      | \$0.030m              |
| <i>IT support</i>                                  | \$0.024m              |
| <i>Operations support</i>                          | \$0.021m              |
| <i>Property and corporate services</i>             | \$0.027m              |
| <b>Total operating expenditure</b>                 | <b>\$0.317m</b>       |
| Allowance for capital expenditure                  | \$0.017m              |
| Less costs funded by own-source revenue            | \$0.000m              |
| Adjustment for prior year (under or over recovery) | \$0.000m              |
| <b>Total levy to recover costs</b>                 | <b>\$0.334m</b>       |

### Traditional trustee company service providers

18 ASIC's cost of regulating the subsector in 2021–22 was \$91,406. The estimated cost of regulating the subsector for 2022–23 is \$79,855: see Table 10.

**Table 10: Estimated costs to regulate traditional trustee company service providers**

| <b>Expense</b>               | <b>Estimated cost</b> |
|------------------------------|-----------------------|
| Supervision and surveillance | \$0.022m              |
| Enforcement                  | \$0.002m              |

| <b>Expense</b>                                     | <b>Estimated cost</b> |
|--|-----------------------|
| Other regulatory activities                        |                       |
| <i>Industry engagement</i>                         | \$0.005m              |
| <i>Education</i>                                   | \$0.003m              |
| <i>Guidance</i>                                    | \$0.001m              |
| <i>Policy advice</i>                               | \$0.004m              |
| Indirect costs                                     |                       |
| <i>Governance, central strategy and legal</i>      | \$0.010m              |
| <i>IT support</i>                                  | \$0.010m              |
| <i>Operations support</i>                          | \$0.009m              |
| <i>Property and corporate services</i>             | \$0.009m              |
| <b>Total operating expenditure</b>                 | <b>\$0.074m</b>       |
| Allowance for capital expenditure                  | \$0.005m              |
| Less costs funded by own-source revenue            | \$0.000m              |
| Adjustment for prior year (under or over recovery) | \$0.000m              |
| <b>Total levy to recover costs</b>                 | <b>\$0.080m</b>       |