



2016–17 ASIC business plan summary by sector

Market intermediaries

| Key projects | Project status | Focus |
|--|---------------------------------|---|
| Stakeholder engagement | | |
| Promoting good conduct practices among market intermediaries | Ongoing | Ongoing engagement with industry and individual market intermediaries, including through compliance and business liaison |
| Keeping abreast of international developments | Ongoing | Engaging with international regulators to develop best practice regulation and keep up to date on regulatory issues and risks |
| Cyber taskforce | Ongoing | Ensuring consistent understanding of market practices and trends relating to cyber resilience in the local markets and a coordinated approach to stakeholder engagement, education and regulatory action |
| Guidance | | |
| Promoting good conduct practices among market intermediaries | Continuing project from 2015–16 | Releasing a Consultation Paper on new guidance about sell-side research obligations; anticipated to continue into 2017–18 |
| Surveillance | | |
| Market intermediaries' handling of confidential information and management of conflicts of interest | Continuing project from 2015–16 | Handling of confidential information and management of conflicts of interest in research and corporate advisory, including allocations and risks for continuous disclosure obligations. Report 486 <i>Sell-side research and corporate advisory: Confidential information and conflicts of interest</i> was published on 9 August |
| Retail structured products sales and advice practices | New project | Covers hybrids or complex structured products and OTC retail derivatives, such as foreign exchange, contracts-for-difference (CFDs) and binary options |
| Supervision of market intermediaries' compliance, including investment banks and market participants | Ongoing | Market intermediaries' supervisory and governance practices, cyber resilience, capital, client money, provision of advice, and culture and conduct, including implementation of conduct risk policies and procedures and remuneration practices |
| Market surveillance | Ongoing | <ul style="list-style-type: none"> ◆ Providing feedback to entities and industry on the data gathered from surveillances, and highlighting critical areas of concern. Report 487: <i>Review of Australian equity market cleanliness</i> was published on 9 August ◆ Developing alerts and metrics to identify misconduct, including |



cross-market alerts i.e. across equity, derivative and OTC

- ◆ Monitoring alerts and metrics that help identify potential hacking activity
- ◆ Gathering data from entities about their cyber risk management practices, including through conducting quarterly surveys of a sample of market intermediaries on their cyber resilience policies and procedures; we will embed the insights gathered into future surveillances and compliance work

OTC reform

Continuing project from 2015–16

Further developing arrangements for conducting surveillance of OTC data from trade repositories – as part of our work on OTC derivatives reform

Enforcement

Investigate, and where appropriate, take enforcement and other action

Ongoing

- ◆ Misconduct and other issues relating to financial benchmarks, such as key interest rate and foreign exchange (FX) benchmarks
- ◆ Investigating instances of market misconduct identified through ASIC market surveillance and other intelligence

Policy advice

Support development and/or implementation of key Government law reforms and other initiatives

Ongoing

- ◆ Assisting Government in progressing and implementing proposed law reforms relevant to complex products and OTC derivatives arising from the Financial System Inquiry – in particular, client money reform