



2016–17 ASIC business plan summary by sector

Superannuation and managed funds

Key projects	Project status	Focus
Stakeholder engagement		
Applications for relief from and modifications to the law	Ongoing	Consideration and exercise of ASIC's powers in response to applications for relief or modification to the law
Stakeholder liaison and engagement	Ongoing	<ul style="list-style-type: none"> ◆ Stakeholder liaison and engagement as per annual liaison plan ◆ Providing support for ASIC's obligations under the Memorandum of Understanding with the New Zealand Financial Markets Authority for disclosure documents being issued by Australian entities
Education		
Financial literacy and consumer education	Ongoing	Utilising financial literacy resources and behavioural economics insights to develop consumer education messages, campaigns and resources e.g. relating to issues arising from innovative products and services that may increase potential for investor detriment
Guidance		
Facilitating emerging business models, while maintaining protections for investors in innovative products and services	Ongoing	<ul style="list-style-type: none"> ◆ Contributing to the work of the Innovation Hub, including assisting new businesses to navigate the regulatory framework, with a focus on: <ul style="list-style-type: none"> – crowd-sourced funding – market-place lending ◆ Conducting a market-place lending survey, which was foreshadowed as part of the guidance released last year, including releasing the survey results to the market and providing feedback to industry on the results
Messages to industry about compliance with obligations	Ongoing	Publishing messages for industry regarding compliance with obligations that have been the focus of surveillance, including ongoing issues or areas of concern for ASIC
Sunsetting class orders	Ongoing	<p>Issuing revised regulatory guidance and legislative instruments to refresh class order relief following consultation with industry, including for example:</p> <ul style="list-style-type: none"> ◆ Time-sharing schemes: [CO 00/2460], [CO 02/315], [CO 03/104], [CO 02/237], and revision of RG 160 <i>Time sharing schemes</i>



- ◆ Mortgage schemes - Ch.5C and disclosure relief: [CO 02/238] and revision of RG 144 *Mortgage investment schemes*
- ◆ Nominee and custody services: [CO 02/295]
- ◆ Differential fees: [CO 03/217]
- ◆ Managed investment schemes - interest not for money: [CO 02/211]
- ◆ Interests in film and theatrical ventures: [CO 02/210]
- ◆ Film investment schemes: [CO 02/236]
- ◆ Share and interest sale facilities: [CO 08/10] and RG 101 *On-market buy-backs by ASX listed schemes*
- ◆ Relief for providers of retirement estimates: [CO 11/1227] and RG 229 *Superannuation forecasts*
- ◆ RG 136 *Managed investments: Discretionary powers and closely related schemes*
- ◆ RG 87 *Charities*

Risk management within the MIS sector

Continuing project from 2015–16

Providing regulatory guidance to industry about risk management arrangements within responsible entities, including arrangements for managing conflicts, liquidity risk and leverage; we will release a regulatory guide on risk management, as follow up to our work in 2015–16

Surveillance

Member experience for disengaged members

Continuing project from 2015–16

Practices in superannuation that deliver good outcomes for disengaged members, or conversely exploit consumer passivity and inertia; anticipated to continue into 2017–18

Effectiveness of disclosure

Continuing project from 2015–16

New (e.g. MySuper product dashboards) and existing (e.g. significant event notices) requirements

Employers and super*

New project

Reviewing the advice, disclosure and inducements provided to employers – as part of our overall surveillance program of superannuation entities

Insurance in superannuation*

New project

Disclosure practices, premiums charged and complaints handling; anticipated to continue into 2017–18

Disclosure of fees and costs

New project

Industry compliance with the revised fee disclosure requirements; anticipated to continue into 2017–18

Disclosure of performance information*

New project

Accuracy and consistency of fund performance calculations



ETFs*	New project	Compliance of ETF issuers with important consumer protection requirements such as disclosure, provision of liquidity at or near net asset value (NAV) to meet liquidity expectations and correct calculation of any indicative NAV; anticipated to continue into 2017–18
Compliance with custody requirements	New project	Industry compliance with the revised requirements introduced in 2013
Integrity of licensing system for wholesale licensees*	New project	Non-compliance of wholesale licensees offering services that target retail investors in Australia and overseas; anticipated to continue into 2017–18

Enforcement

Investigate and where appropriate take administrative, civil, criminal or other action	Ongoing	<p>Investigating and taking action against licensed and unlicensed entities in the superannuation and managed funds sector identified through our proactive risk-based surveillance programs and in response to reports of misconduct including:</p> <ul style="list-style-type: none">◆ effectiveness of superannuation disclosure◆ trustee advice, disclosure and inducements to employers◆ insurance practices in superannuation◆ failures by responsible entities to comply with their duties◆ non-compliance with licence conditions◆ misleading or deceptive disclosure◆ inadequate compliance frameworks◆ poor gatekeeper culture and incentives
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Policy advice

Support development and implementation of key Government law reforms	Ongoing	<ul style="list-style-type: none">◆ Contributing to key reforms and proposals, including:<ul style="list-style-type: none">– Stronger Super: remaining disclosure initiatives introduced as part of these reforms– Retirement issues and products: issues relating to disclosure and product design– Crowd funding: development and implementation of the regulatory framework, as well as development of regulatory guidance for crowd-sourced funding intermediaries– Collective Investment Vehicle (CIV): development of the framework and implementation of CIV initiatives[#]– Asia Region Funds Passport: development of the framework and implementation of initiative[#]◆ Contributing to responses to recommendations arising from inquiries and Government initiatives, including the Senate
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		inquiry into forestry managed investment schemes
		◆ Providing support for requests from Government, including through Commission correspondence
Facilitating the development and application of consistent standards and requirements across borders	Ongoing	<ul style="list-style-type: none">◆ Working closely with the Financial Stability Board and IOSCO on the proposed recommendations to address structural vulnerabilities from asset management activities, particularly relating to liquidity risk and leverage◆ Working with IOSCO on development of global standards in the funds management sector◆ Engaging with international regulators on cross-border arrangements, including for example the Asia Region Funds Passport[#]

* Funded as part of the 'Improving Consumer Outcomes in Financial Services' New Policy Proposal. In April 2016, the Government announced additional funding support over four years for deepening ASIC's surveillance and enforcement capability.

Projects that will be subject to NPP funding are planned to be undertaken over four years to 2019–20, and may include follow-up work, such as enforcement.

[#] Funded under specific New Policy Proposal Funding, Collective Investment Vehicles – regulatory guidance and registration and Asia Region Funds Passport.